

FRANCHISE DISCLOSURE DOCUMENT

THE WELLNESS WAY FRANCHISE LLC
A Wisconsin Limited Liability Company
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The Wellness Way Franchise LLC offers a franchise for the establishment and operation of a chiropractic and wellness clinic using The Wellness Way’s unique business system and “The Wellness Way” trademarks.

The total investment necessary to begin operations of The Wellness Way franchise is \$74,200 to \$224,300. This includes \$21,500 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Travis Frisque, 2525 W Mason Street, Green Bay, WI 54303, tfrisque@thewellnessway.com, (920-737-9171).

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, 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.

Date of Issuance: April 3, 2023

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 Exhibit F to this FDD.
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?	Exhibit E to this FDD 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 The Wellness Way Clinic in my area?	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What’s it like to be a The Wellness Way franchisee?	Exhibit F to this FDD lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in **Exhibit A**. Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This Franchise*

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Wisconsin. 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 Wisconsin 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. **Mandatory minimum payments.** You must make minimum royalty or marketing fund payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.
5. **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.

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.

MICHIGAN DISCLOSURE NOTICE

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

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) The term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, marketing, 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 existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first

refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

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

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

Any questions regarding this notice should be directed to:

Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909
(517) 373-7117

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES	9
ITEM 2. BUSINESS EXPERIENCE.....	12
ITEM 3. LITIGATION.....	13
ITEM 4. BANKRUPTCY.....	13
ITEM 5. INITIAL FEES.....	13
ITEM 6. OTHER FEES.....	14
ITEM 7. ESTIMATED INITIAL INVESTMENT.....	17
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.....	20
ITEM 9. FRANCHISEE’S OBLIGATIONS.....	23
ITEM 10. FINANCING.....	24
ITEM 11. FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING.....	24
ITEM 12. TERRITORY.....	35
ITEM 13. TRADEMARKS.....	37
ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION.....	38
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED THE WELLNESS WAY CLINIC	39
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	40
ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION	41
ITEM 18. PUBLIC FIGURES	47
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATION.....	47
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION	48
ITEM 21. FINANCIAL STATEMENTS	52
ITEM 22. CONTRACTS.....	52
ITEM 23. RECEIPTS.....	53

EXHIBITS

- A. LIST OF STATE ADMINISTRATORS
- B. LIST OF STATE AGENTS FOR SERVICE OF PROCESS
- C. FRANCHISE AGREEMENT
 - EXHIBIT 1 – GENERAL RELEASE
 - EXHIBIT 2 – NONDISCLOSURE AND NON-COMPETITION AGREEMENT
 - EXHIBIT 3- UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS
 - EXHIBIT 4 – HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE
 - EXHIBIT 5 - MULTI-STATE ADDENDA
 - EXHIBIT 6 - DE-IDENTIFICATION
 - EXHIBIT 7 - PRE-OPENING CERTIFICATION
 - EXHIBIT 8 - ACH AUTHORIZATION AGREEMENT
 - EXHIBIT 9 – ONLINE/SOCIAL MEDIA MARKETING PERMISSION REQUEST
 - EXHIBIT 10 – WELLNESS WAY ENTERPRISES SUPPLIER AGREEMENT

EXHIBIT 11 – LEASE RIDER

- D.** TABLE OF CONTENTS OF CONFIDENTIAL OPERATIONS MANUAL
- E.** FINANCIAL STATEMENTS
- F.** LIST OF FRANCHISEES
- G.** MULTI-STATE ADDENDA
- H.** STATE EFFECTIVE DATES AND RECEIPTS (2)

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

To simplify the language in this Disclosure Document, the words “we,” “our,” “us,” and “The Wellness Way” refer to The Wellness Way Franchise LLC, the franchisor of this business. “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company, other business entity, or an individual. If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure also apply to your owners and will be noted.

Cross-references to “Section” below refer to sections in the Franchise Agreement attached as **Exhibit C**. Reference to “Item” refers to items in this Disclosure Document or FDD. For your convenience in navigating electronic versions of this FDD, the FDD contains hyperlinks to both Exhibits to the FDD and Exhibits to the Franchise Agreement. Clicking the hyperlink will take you directly to the linked Exhibit, and clicking the hyperlink in the bottom left hand corner of each page will return you to the Table of Contents (TOC) for the FDD or the Franchise Agreement, as designated in the link.

The Franchisor

We were formed in Wisconsin in March 2022 to offer The Wellness Way franchises. Our principal business address is 2525 W Mason Street, Green Bay, WI 54303. We do business under our corporate name and the name “The Wellness Way.” We began offering franchises as of July 1, 2022.

The franchise, franchised business, or Franchised The Wellness Way Clinic, subject to State law requirements, does business under the trade name, “The Wellness Way”, and also uses our other related service marks, trademarks or logos (our “Marks”). The franchise must be located in a professional office. The franchise operates using our standards, methods, procedures and specifications, called our “System.” We do not operate a business of the type being franchised, but our affiliates do. We are not involved in any other business activities.

Our Parents, Predecessors and Affiliates

Our parent company, The Wellness Way, LLC, has a principal address is 2525 W Mason Street, Green Bay, WI 54303. Our parent does not offer and has not ever offered franchises in this or any other line of business. Our parent does not provide goods or services to franchisees.

We have one affiliate, Wellness Way Enterprises LLC, (“WWE”) which offers nutritional supplements and other inventory to franchisees and also provides direct sales of nutritional supplements to consumers. WWE’s principal business address is 2525 W Mason Street, Green Bay, WI 54303. WWE does not operate a business of the type being franchised and does not offer franchises in this or any other line of business.

We also have several affiliates who operate The Wellness Way clinics of the type being franchised in various geographical locations. These affiliates who operate The Wellness Way Clinics do not provide goods or services to our franchisees and do not offer franchises in this or any other line of business. Neither we nor any of our affiliates offer or have offered franchises in any other line of business.

Our Business

We franchise the right to own and operate a chiropractic and wellness clinic to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate The Wellness Way Clinic. The Wellness Way franchise owns and operates clinics providing chiropractic and wellness services through licensed chiropractors. If you are an unlicensed person, you may own and operate a clinic only if it is permissible under applicable law. As of the issuance date of this

Disclosure Document, we do not offer franchises to management companies who do not meet the applicable state's legal requirements to own and operate a chiropractic and wellness clinic.

General Description of the Market and Competition

The market for chiropractic and wellness services is well developed. You may have to compete with other businesses, including franchised operations, national chains and independently owned companies offering chiropractic, wellness and similar services. You may also encounter competition from other The Wellness Way franchises and us or our affiliates. Our affiliate, WWE, sells nutritional supplements and other products to retail consumers online and through direct sales channels, and you may face competition in the sales of these products from WWE. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition from internet-based organizations that provide wellness services, supplements, and some related services or products.

Regulations Specific to the Industry

The provision of chiropractic and wellness services is highly regulated. Clinics providing chiropractic and wellness services may be subject to numerous federal and state laws, including but not limited to those set forth below. We strongly recommend that you hire a local healthcare lawyer to advise you on healthcare laws that will apply to your franchised business.

State Licensing and Company Structure

State licensing laws provide the requirements for becoming a licensed chiropractor and for the behavior and conduct of licensed professionals. In general, chiropractic services may only be provided by a chiropractor licensed in the State in which the services are provided. A non-licensed person or entity may NOT provide or direct the administering of any chiropractic services to patients and may NOT supervise, direct, control, or suggest to licensed chiropractors the manner in which chiropractic services are provided to patients. Regardless of whether you are licensed or an unlicensed person or entity (as described below), you, as the franchisee must NOT engage in the practice of chiropractic medicine, nursing, or any other profession that requires specialized training or certification, unless you are properly licensed to do so. The Franchise Agreement will not interfere with, affect, or limit the independent exercise of medical judgment by the licensed professionals providing services to patients.

In some states the business providing the chiropractic and wellness services must be a professional corporation ("P.C.") or a professional limited liability company ("P.L.L.C."), and in some states ownership of the P.C. or P.L.L.C must be limited to licensed professionals. You are responsible for ensuring that your business entity is formed and operates with an ownership structure in compliance with applicable state laws. Under our current franchise program, every franchisee must be legally able to provide chiropractic and wellness services through one or more licensed chiropractors. You must conduct your own due diligence and investigation into the laws in your state and make your own determination as to the required regulatory standards to be legally compliant to own or operate a chiropractic clinic at your location and the proper legal structure for your business entity. The laws applicable to your clinic may change. If there are any chiropractic laws or regulations that would render your operation of your franchised The Wellness Way Clinic in violation, you must immediately advise us of the issue and your proposed corrective action to comply with the applicable law or regulation. Similarly, if we discover a change in any law or regulation applicable to your franchise, you agree to immediately make such changes as are necessary to comply with the applicable law or regulation.

Patient Privacy Laws

The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) is a comprehensive nation-wide policy regarding patient privacy, enacted via a series of rules, including the Privacy, Security, and Enforcement Rules in 2003 (as updated from time to time) and the Breach Notification Rule in 2013. See 45 C.F.R. Part 160 and Part 164, Subpart E. Under HIPAA, covered individuals and entities must designate a privacy officer; they must train their workforce on HIPAA requirements, emphasizing privacy policies and procedures; they must put in place administrative safeguards; and they must notify patients when there has been a privacy breach. Some states have more stringent patient privacy laws. You are responsible for compliance with HIPAA and all other applicable patient privacy laws.

Mandatory Reporting and Duty to Warn Laws

Some states may have mandatory reporting requirements covering a wide spectrum of reportable events, including births, deaths, infectious diseases, child and elderly abuse, cancer, abortions, and others. Some states have duty to warn laws imposing a duty to warn a third party of a communicable illness of the physician’s patient, or the duty to warn a third party of the violent propensities of the physician’s patient. You are responsible for knowing and complying with any mandatory reporting and duty to warn requirements applicable to your chiropractic and wellness clinic.

Anti-Kickback and Fee Splitting Laws

Both the federal government and many states have laws prohibiting kickbacks and fee splitting in exchange for referral of patients or in exchange for furnishing or arranging for the furnishing of items or services. See e.g. 42 U.S.C. § 1320a-7b(b). You are responsible for knowing and complying with all applicable anti-kickback and fee splitting laws.

The False Claims Act

The Federal False Claims Act prohibits a person from “knowingly” submitting claims or making a false record or statement in order to secure payment of a false or fraudulent claim by the federal government. 31 U.S.C. §§ 3729 et seq. You are responsible for ensuring that all billing is accurate and that any submissions to governmental entities (including Medicare and Medicaid) reflect only services actually provided and for which you are eligible for the reimbursement sought.

General Laws

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of all businesses, including occupational health and safety; labor; licensing and bonding; insurance; and advertising. Also, some jurisdictions have passed laws that require businesses to pay their employees a higher minimum wage than what is required under federal law, which laws may disproportionately affect franchised businesses. In addition to the chiropractic licensing discussed above, you may need to obtain other certifications or licenses depending on your local or state requirements. You must also comply with federal, state, and local intellectual property laws and escheat laws. You must investigate and comply with all applicable federal, state, county and city laws and regulations. You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.

Agents for Service of Process

Our agents for service of process are listed on **Exhibit B** to this Disclosure Document.

ITEM 2. BUSINESS EXPERIENCE

FOUNDER & CHIEF EXECUTIVE OFFICER – DR. PATRICK FLYNN

Dr. Patrick Flynn is our founder and serves as our Chief Executive Officer and has held this position since our formation in March 2022. Dr. Flynn also serves as the CEO of our parent company, The Wellness Way LLC in Green Bay, Wisconsin and has held this position since its formation on November 11, 2020 and serves as the CEO of our affiliate Wellness Way Enterprise LLC in Green Bay, Wisconsin and has held this position since October 2021. Dr. Flynn founded the first The Wellness Way Clinic, The Wellness Way Green Bay, in April 2001.

VICE PRESIDENT OF OPERATIONS – NICOLE SEIDEL

Nicole Seidel serves as our Vice President of Operations and has served in this position since our formation in March 2022. From October 2021 to March 2022, Nicole served as the Director of Operations for our affiliate Wellness Way Enterprises LLC in Green Bay, WI. Prior to that, Nicole served as the General Manager and Office Manager of The Wellness Way – Green Bay from June 2019 to October 2021. She had previously also served as a Senior Financial Aid Advisor at St. Norbert College in De Pere, Wisconsin from January 2015 to May 2019. She also serves and has served on the School Board of New Leaf Prep Academy, a charter school in Green Bay, WI since its inception in 2020.

VICE PRESIDENT OF CLINICAL STRATEGY – DR. ZACHARY PAPENDIECK

Dr. Zach Papendieck serves as the Vice President of Clinical Strategy and has served in this position since September 2022. Dr. Zach previously served as our Director of Managed Clinics from January 2022 to August 2022. Prior to that, Dr. Zach served as the Clinical Director of The Wellness Way – Appleton since October of 2012. Dr. Zach has been practicing as a Doctor of Chiropractic since December of 2007.

VICE PRESIDENT OF HUMAN RESOURCES – BROOKE DETERT

Brooke Detert serves as our Vice President of Human Resources and has served in this position since September 2022. Brooke previously served as the Human Resources Manager from June 2021 to September 2022 for our affiliate Wellness Way Enterprises in Green Bay, Wisconsin. Brooke previously served as a Human Resources Generalist from October 2017 to May 2021 and a Human Resources Assistant from January 2014 to October 2017, both with Unity Hospice in Green Bay, Wisconsin.

VICE PRESIDENT OF MARKETING – BRANDON FLYNN

Brandon Flynn serves as our Vice President of Marketing and has served in that position since February 2023. Brandon previously served as our Marketing and Creative Director from September 2022 to January 2023. Before joining us Brandon served as a Marketing & Innovation Consultant from January 2020 to September 2022, as a Marketing Manager from July 2018 to January 2020 and as a Marketing Strategist from September 2016 to July 2018, all three with our affiliate Wellness Way Enterprises in Green Bay, Wisconsin.

FRANCHISE MANAGER - CRYSTAL PRANKE

Crystal Pranke serves as our Franchise Manager and has served in this position since September 2022. Crystal previously served as the Lab and Partnership Development Specialist from October 2020 to September 2022 and the Client Training & Development Specialist from November 2016 to October 2020, both with our affiliate Wellness Way Enterprises in Green Bay, Wisconsin.

VICE PRESIDENT OF REAL ESTATE – ROSS SKORZEWSKI

Ross Skorzewski serves as our Vice President of Real Estate and has served in that position since February 2023. Previously, Ross served as our Real Estate Acquisitions Specialist from September 2022 to January 2023 and as our Director of People Development and Real Estate from March 2022 to August 2022. Ross, before joining us, served as the Director of People Development and Real Estate for our affiliate, Wellness Way Enterprises LLC in Green Bay Wisconsin from March 2017 to March 2022.

FRANCHISE SALES MANAGER – TRAVIS FRISQUE

Travis Frisque serves as our Franchise Sales Manager and has served in that role since November 2022. Travis previously served as the Warehouse Specialist for our affiliate Wellness Way Enterprises LLC in Green Bay, WI from August 2021 to November 2022. From 2018 – 2020 Travis served as the Driver Manager for CTS in Green Bay, Wisconsin and from 2013 – 2018 Travis served as the Manager for WEL Companies in De Pere, Wisconsin.

FRANCHISE PROPERTY COORDINATOR - MAURINE SALIGER

Maurine Saliger serves as our Franchise Property Coordinator and has served in this position since September 2022. Maurine previously served as a Web Designer from July 2017 to September 2021 and Technology Coordinator from September 2021 to September 2022, both with our affiliate Wellness Way Enterprises in Green Bay, Wisconsin.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

You pay us a \$15,000 initial franchise fee when you sign the Franchise Agreement for The Wellness Way franchise. (California residents, see State Addendum.) Before opening, you must also purchase from us an initial inventory package in the amount of \$6,500. Clinics who were affiliated with The Wellness Way pursuant to a written Practitioner Program Agreement prior to the formation of the franchise system may not pay the same fee. We offer a discount of \$5,000 to existing franchisees opening an additional location. To qualify for the existing franchisee discount, the same individual owners must own 51% or more of both franchise entities.

Franchisees are offered an option of electing to acquire Marketing services from The Wellness Way. If a franchisee elects to participate in the Marketing program, the franchisee will pay TWW's monthly consulting fee, currently \$499. We estimate that franchisees participating in the Marketing program for assistance with Grand Opening Marketing will incur approximately 1-2 months of Marketing fees (\$499 - \$998) before opening.

The initial fees are uniform, except as set forth in this Item 5. The initial franchise fee and inventory package are nonrefundable. The initial fees are compensation to us for our efforts in offering and selling a franchise to you, our franchise sales and marketing activities to promote the sale of a franchise to qualified franchisees, our participation in the franchise sale, our legal compliance with franchise laws and regulations, the development and hosting of initial training programs, our participation in terminating the franchise, and our lost or deferred opportunity to enter into a Franchise Agreement with others. We reserve the right to modify the initial fees in the future to reflect the changing costs of doing business and changes in the value of the franchises being offered. We may also discount the initial franchise fee if we are unable to locate a franchisee in a particular area we consider desirable or based on other subjective factors we deem important to the System.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee ¹	The higher of 5% of weekly Gross Revenues or Minimum Performance Requirements.	Payable each Tuesday based on the previous week's Gross Revenues.	You must pay your royalty directly to us. We reserve the right to change the payment date for royalties and may, with notice to you, collect royalties weekly or monthly. See definition of Gross Revenue ¹ .
Global Marketing Fund	Currently 1% of weekly Gross Revenues	Payable each Tuesday based on the previous week's Gross Revenues.	You must pay your contribution to the Global Marketing Fund directly to us. See definition of Gross Revenue ¹ .
Local or Regional Marketing Cooperatives	Varies based on the vote of the cooperative	As required by the Cooperative	You may be required to join a local or regional marketing cooperative where each clinic in the cooperative has one vote. The amounts contributed to the cooperative may be applied toward your minimum local marketing requirement.
TWW Marketing	If elected by Franchisee, the then current monthly charge, currently \$499/mo	To us	If you elect to participate in the TWW Marketing program, you will pay the monthly fees set by TWW from time to time, currently \$499 per month.
Insufficient Funds Fee	\$50 per returned/not processed transaction	At the time a payment to Us is returned or not processed for insufficient funds	Payable only if a payment to us is returned or an ACH withdrawal is not processed due to insufficient funds.
Audit Expenses ²	All costs and expenses associated with audit, approximately \$1,500 - \$5,000	Upon demand	Audit costs payable only if the audit shows you underreported amounts you owe us by 3% or more for any period of time. (Section 14.5)
Interest ³	Lesser of (i) the highest commercial contract interest rate permitted by state law and (ii) the rate of 18% per annum	From the dates the payments are due until paid in the past due amount and all accrued interest are paid in full	Applies to all overdue fees you owe us and our affiliates for any reason, including royalties, contributions to the National Brand Fund, purchases of products, and any other amounts owed. Also applies to any understatement in amounts due revealed by an audit. (Section 14.5)
Products Ordered	The purchase price plus shipping costs (if any), as may be periodically provided to you, of nutritional supplements and other products you elect to purchase from WWE.	At the time you place an order	Your cost to purchase nutritional supplements and other products from WWE will be provided to you in the Operations Manual and may be periodically updated from time to time by providing notice to you.
Approval of Products or Suppliers ⁴	Approximately \$100 - \$1,000	Time of evaluation	Applies to our evaluation of new suppliers you wish to purchase from or products you wish to purchase. (Section 15.1)
Indemnification ⁵	Reimbursement of our actual costs	Upon demand	You must defend lawsuits at your cost and hold us (and our officers, employees, agents, and affiliates) harmless against lawsuits arising from your ownership and operation of the franchised The Wellness Way Clinic. We also provide indemnification to you for any lawsuits or claims arising from your authorized use of the Marks. (Sections 7.4 and 23)
Franchise Renewal Fee	\$2,500	At Renewal	Payable to us at the time of renewal.

Type of Fee	Amount	Due Date	Remarks
Franchise Transfer Fee	\$7,000	At the time of transfer	Payable to us at time of transfer and includes the initial training program for the new owners. Does not apply to an assignment under Section 20.3 of the Franchise Agreement.
Clinic Modifications	Approximately \$5,000 to \$10,000 per year, if necessary	As required	If we make changes to our System standards, you must adapt your business to conform to the changes. You must also remodel and refurbish your franchised business periodically to maintain our standards. Some examples of changes include new equipment, fixtures, software or new Marks. (Section 12.2)
Relocation Assistance	Approximately \$750 - \$2,500	Time of assistance	If you intend to relocate, you must obtain our approval and reimburse our costs to assist you. (Section 6.5)
New Designee Training	Currently estimated at \$600 - \$3,000 per trainee, plus the trainees costs and expenses of training	When a Designated Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator is replaced	Our initial training program is covered by your franchise fee if all trainees attend at the same time as the Designees (one or two total in-person initial training sessions). If Designated Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator is replaced by an individual who has not completed our initial training program, you must have your new Designee complete our initial training program and pay our training costs, plus the costs and expenses of your Designee attending the training program.
Additional Training	Currently, \$600 per day, plus your expenses in attending	Time of training	Our initial training program is covered by your franchise fee if all trainees attend the in-person training at the same time as the Designees (one or two total in-person initial training sessions). If you have to repeat initial training or require additional training, we may charge you. (Sections 9.1, 9.2 and 9.3) If you require training at a time or place other than The Wellness Way's regularly scheduled initial training programs, you agree to pay The Wellness Way's fees plus all costs and expenses of such training. Further information about training programs is included in ITEM 11. You may also request additional Special Training after the conclusion of The Wellness Way's initial training program. Special Training is provided upon your request and at The Wellness Way's convenience, and you agree to pay The Wellness Way's fee plus all costs and expenses of such additional training. We may also require additional training as a condition of curing any non-payment default. (Section 9.4)
Ongoing Training ⁶	Approximately \$0 - \$3,000	Time of program	We may periodically offer ongoing training programs, including an annual conference, regional in-person training programs, and periodic online or in-person training programs. You agree to attend the ongoing training programs we specify from time to time. While we may not charge a fee for all ongoing training programs, we reserve the right to charge a fee for these programs, and you will be responsible for your costs of attendance. If a training program is designated as mandatory, you will be expected to attend and will be responsible for the fee for the program.
Insurance	Premium amounts incurred plus all costs and expenses and a 10% administrative charge	Upon Demand	Payable if you fail to maintain required insurance and we obtain coverage for you.
Non-compliance Charge	Up to \$500 per violation	As incurred	We may charge you a non-compliance charge per violation for any violation by you of any term or condition of the Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Termination Fee	An amount equal to the lesser of 24 months of your average royalties (based on the average royalties for the previous 12 months) or the balance of your franchise term if less than 24 months.	As incurred	Payable if we terminate your franchise for cause or you terminate your franchise before your franchise term expires.
De-identification	All amounts incurred by us, plus a 10% administrative charge	As incurred	Payable if we de-identify the franchised clinic location upon termination, expiration, or relocation
Cost of Enforcement	All costs including attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations if we prevail. (Section 24.4)

We currently require all fees payable to us to be paid through auto debit pursuant to the authorization attached to the Franchise Agreement.

The fees above may not be uniformly applied. No other fees or payments are to be paid to us or our Affiliate, nor do we impose or collect any other fees or payments for any other third party. All fees are generally non-refundable.

NOTES

¹“Gross Revenue” means the aggregate of all revenue and receipts from sales conducted at, from, or through The Franchised Wellness Way Clinic (whether or not in compliance with this Agreement), (including but not limited to chiropractic services, wellness services, other services, testing, gift cards, products and supplements), whether in cash, by check, credit card, debit card, digital currency, exchange, other credit transactions, or otherwise, but excluding (1) applicable sales taxes collected and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits, and discounts granted to customers in good faith. Gross Revenue includes gift certificates, gift cards, and similar program payments at the time the gift card or other instrument is purchased. Gross Revenue also includes all insurance proceeds you receive for the loss of business due to a casualty or similar event. Gross Revenue excludes the resale of products and/or commissions on Approved Non-Royalty Direct Marketing Products, as set forth in the Operations Manual, provided that those products are not sold or processed through the System Technology and point of sale system. If your actual Gross Revenues for any month are less than your Minimum Performance Requirement, you will pay Royalties in the amount of five percent (5%) of the Minimum Performance Requirement. You do not have a minimum performance requirement for the first year. Your performance requirements thereafter are set forth as monthly gross revenue requirements per year, measured from the first full month following your opening. The chart below sets forth the performance requirements:

CALENDAR YEAR	GROSS MONTHLY REVENUE
First Year	No Minimum Requirement
Second Year	\$20,000 per month
Third Year	\$35,000 per month
Fourth Year and thereafter	\$50,000 per month

² Costs vary depending on factors, including prevailing auditor’s rates in your area, the business activity being audited and how well you keep your books and records. You pay our actual costs only. You should investigate these costs by contacting auditors in your area.

³ Late fees begin from the date payment was due, but not received, or date of underpayment. The maximum interest rate in California is ten percent (10%) per annum.

⁴ Costs vary depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors. You pay our actual costs only.

⁵ Costs vary depending on factors, including nature of the complaint, expertise needed and the time involved. You pay our actual costs only.

⁶ You must attend our ongoing training programs. We may charge you an attendance fee for some ongoing training programs and may not charge for some ongoing training programs. The estimate in the chart is a range from \$0 to \$3,000, as we may not charge a fee for some ongoing training programs, and, if a fee is charged, the fee for a particular training program may vary. In addition to paying any fee charged, you must pay your costs to attend. Costs vary depending on the number of people attending, how far you travel and the type of accommodations you choose. You should investigate these costs. For further reference, review the estimated costs to attend our initial training program included in ITEM 7.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee ¹	\$15,000	Cashier's Check or ACH	At Signing of Franchise Agreement	Us
Real Estate ²	\$2,500 - \$10,000	As Arranged	Before Beginning Operations	Lessor
Utility Deposits ³	\$1,500 - \$3,500	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements ⁴	\$5,000 - \$50,400	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance ⁵	\$2,000 - \$3,500	As Arranged	Before Beginning Operations	Insurance Companies
Furniture, Equipment, Computers, and Supplies ⁶	\$18,450 - \$86,400	As Arranged	Before Beginning Operations	Suppliers
Costs of Attending Initial Training ⁷	\$2,500 - \$5,000	As Arranged	Before Beginning Operations	Airlines, Hotels & Restaurants
Signage ⁸	\$5,000 - \$9,000	As Arranged	Before Beginning Operations	Approved Suppliers
Initial Inventory and Start-Up Package ⁹	\$6,500	Credit Card or ACH	Before Beginning Operations	Our Affiliate

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Opening Marketing ¹⁰	\$2,000 - \$5,000	As Arranged	First 3 Months of Operation	Marketing Suppliers
Licenses & Permits ¹¹	\$750 - \$3,500	As Arranged	Before Beginning Operations	Licensing Authorities
Legal & Accounting ¹²	\$3,000 - \$6,500	As Arranged	Before Beginning Operations	Attorney, Accountant
Additional Funds ¹³ (3 months)	\$10,000 - \$20,000	As Arranged	As Necessary	Employees, Utilities, Lessor, Suppliers
TOTAL	\$74,200 - \$224,300			

NOTES

¹ Franchise Fee. The franchise fee and its refund policy are described in greater detail in ITEM 5. We do not finance any fee. (California Residents please see addendum)

² Real Estate. You must operate your franchised business from an approved location. The low estimate is based on the assumption that you are not required to submit a security deposit. The high estimate is based on the assumption that you will lease a unit and will pay one months' rent and a security deposit equal to 1 months' rent to lease the unit. It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations. Lease costs will vary based upon square footage and cost per square foot. Your approved location will be approximately 1,200 to 1,500 square feet and may be located in a variety of locations including strip centers, medical centers, and office complexes. Some lessors may refund the security deposit if you cancel the lease before you occupy the premises. Estimated rental costs for 3 months are included with the category "Additional Funds," (see Note 17 below).

³ Utility Deposits. If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services, including electric, telephone, gas and water. The amount of the deposit and whether the deposit is refundable will vary depending on the local utilities. You should contact your local utilities for more information.

⁴ Leasehold Improvements. You must build out your location pursuant to our plans and specifications. The low estimate assumes you will be making minimum improvements to an existing clinic or have tenant buildout funds from the landlord, and the high estimate allows for buildout from a white box. The cost of the leasehold improvements will vary depending on factors, including the size, condition and location of the facility, local wage rates and the cost of materials. The amounts you pay for leasehold improvements are typically non-refundable. You should inquire about the refund policy of the contractor at or before the time of hiring.

⁵ Insurance. You must purchase the insurance we specify from time to time, currently:

- a. workers' compensation insurance and employer liability coverage with a minimum of \$100,000 for each accident and \$100,000 for each disease or such higher limit as your state law requires;
- b. comprehensive general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, plus a \$5,000,000 umbrella policy, or higher if your state law requires (this policy must include coverage for contractual indemnity);
- c. owned and non-owned automobile liability insurance of at least \$1,000,000;
- d. cyber security/data breach insurance of \$1,000,000 per occurrence and \$1,000,000 in the aggregate;
- e. employment liability insurance of \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- f. such insurance as is necessary to provide coverage under the indemnity provisions set forth in Section 23; PLUS

In addition, the franchisee must ensure that every chiropractor or other licensed professional providing patient care at or through the Franchised The Wellness Way Clinic maintains professional liability / medical malpractice insurance of at least \$1,000,000 per occurrence and \$3,000,000 in the aggregate

⁶ Office Equipment and Supplies. You must purchase chiropractic and professional equipment, general office furniture, supplies, computers, including stationery, business cards and typical office equipment. The low estimate assumes you have elected a lease or financing arrangement for some equipment and that you have one doctor, while the high estimate assumes you have paid in full for the equipment and that you have 3 doctors.

⁷ Costs of Attending Initial Training. The fee for initial training for the Designees: Managing Owner, Managing Chiropractor, Office Manager, and Marketing Coordinator and such other owners and staff persons designated by Franchisee and who attend training at the same time as the Designees (one or two total in-person initial training sessions) is included in the franchise fee, but you will incur additional costs for any additional training or ongoing training. For any training program, you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. In addition, each person who will work in your franchised The Wellness Way Clinic must complete HIPPA Privacy Compliance Training and obtain a certification from an approved third party provider. We currently estimate that you will incur fees of \$30 per person for the HIPPA training, and the cost for up to 4 persons is included in this estimate. All of these expenses are typically non-refundable. Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation.

⁸ Signage. You must install signage according to our specifications. The signage requirements and costs for a commercial office will vary based upon the local market for signage and landlord requirements. The amounts you pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase.

⁹ Initial Inventory Start-Up Package. You must purchase an initial package of nutritional supplement inventory and other start-up supplies from our affiliate WWE.

¹⁰ Opening Marketing. You must spend a minimum amount we specify on grand opening marketing during the first 3 months of operation, which will not be less than \$2,000. We determine the minimum based on our assessment of your marketing costs in your area and the time of year that you are opening. The TWW

Marketing Program is optional, and if you elect to participate in the program, TWW will prepare marketing pieces for you at the monthly rate established from time to time, currently \$499 per month. The high estimate assumes you are participating in 1-2 months of the TWW Marketing Program before opening. You may choose to spend more than the amount we specify for grand opening marketing. See ITEM 11. Factors that may affect the actual amount you spend include the type of media used, the size of the area you advertise to, local media cost, location of the franchised The Wellness Way Clinic, time of year and customer demographics in the surrounding area. The amounts you spend for grand opening marketing are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing.

¹¹Licenses & Permits. State and local government agencies typically charge fees for occupancy permits, operating licenses, and permits to make improvements to your office. The low estimate represents the costs of standard occupancy permits and operating licenses. The high estimate represents the costs of standard occupancy permits and operating licenses, costs for building permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies. These fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment. This estimate assumes that you already have a licensed chiropractor who will manage your Clinic and does not include the costs of the education, testing, and licensing required by the Chiropractic or Medical Licensing Board in your state.

¹²Legal & Accounting. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your franchised The Wellness Way Clinic. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. In addition, you are required to have your QuickBooks accounting files and standard chart of accounts set-up and maintained in accordance with our system standards. The cost for QuickBooks accounting software is included in computer costs included in the estimate for Furniture, Equipment, Computers & Supplies. Accounting and legal fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

¹³Additional Funds. We recommend that you have a minimum amount of money available to cover operating expenses, including rent, utilities and employees' salaries, for the first 3 months that the franchised The Wellness Way Clinic is open. We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if income is low or operating costs are high. These expenses are typically non-refundable. In determining the estimate for additional funds, we relied on our affiliates' industry knowledge and experience in starting and operating clinics similar to the franchised business being offered.

We do not offer direct or indirect financing to you for any items.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchisor as Designated Supplier

Currently, we are the only approved supplier of The Wellness Way System Technology. Our affiliate, Wellness Way Enterprises LLC ("WWE"), is currently an approved supplier of nutritional supplements, of items bearing The Wellness Way marks, of educational materials, of marketing materials, and of marketing services. WWE is also an approved supplier of vibration plates. You must enter into the Supplier Agreement with WWE attached to the Franchise Agreement as **Exhibit 10**. We retain the right to designate The Wellness Way Franchise LLC, WWE or another affiliate of us as a designated supplier of other products or services, to charge a fee for products or services offered, and to earn a profit on those products or services.

You must purchase all items bearing the Wellness Way Marks, all software, chiropractic and diagnostic equipment, all nutritional supplements, all laboratory testing, and diagnostic and office management software from approved suppliers that we specify from time to time.

We have developed and may develop from time to time various standards and specifications for products, equipment, signage, computers, and testing. We have and will continue to periodically approve specifications, suppliers and/or distributors of the above products, which may include us or our affiliates, that meet our standards and requirements, including standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and customer relations. We may approve a single distributor or other supplier (collectively “supplier”), for any product and may approve a supplier only as to certain products. We may concentrate purchases with one or more suppliers to obtain lower prices or better marketing support or services for any group of The Wellness Way Clinics franchised or operated by us. You acknowledge that we will derive revenue from the products and services we offer to you. We do not provide material benefits to franchisees based on a franchisee’s purchase of particular products or services or use of particular approved suppliers.

Furniture, Fixtures and Equipment

You must purchase any furniture, fixtures, equipment, or signage from approved suppliers pursuant to our specifications set forth in The Wellness Way Confidential Operations Manual (“Confidential Operations Manual”). These specifications include standards and specifications for the appearance, quality, price, performance and functionality. These standards and specifications are based on our Affiliate’s experience in operating a business of the type we are franchising and on research and testing in our Affiliate’s business. We may communicate our standards and specifications directly to suppliers who wish to supply you with furniture, fixtures, equipment, and signage under specifications. We communicate our standards and specifications to you when we evaluate your proposed location for the franchised The Wellness Way Clinic, during training, before you conduct your grand opening marketing, during on-site opening assistance, during periodic visits to your franchise location, and through the Confidential Operations Manual (including periodic bulletins). We will periodically issue new standards and specifications (if any) and new approved suppliers (if any) through written notices. While we have created standards and specifications for the development of your franchised The Wellness Way Clinic, we have not designated any vendors and suppliers, except as mentioned under this Item 8 and no officer of the franchisor, except as disclosed herein, has any ownership or other interest in any supplier.

Some state corporate practice of medicine laws restrict layperson-franchisees from determining the medical equipment and supplies to be used in the operation of the franchised business. Nothing in our Franchise Agreement, Operations Manual, or specifications will restrict the Designated Managing Chiropractor from exercising independent professional judgment in determining the medical equipment and supplies to be used.

New Products and Services, Review Criteria

If you would like to use any goods or services in establishing and operating the franchised The Wellness Way Clinic that we have not approved (for goods and services that must meet our standards and specifications or that require our approval of the supplier), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. We do not permit franchisees to work with alternative suppliers who meet our criteria unless we have evaluated and approved the alternative supplier. We have the right to inspect the proposed supplier’s facilities and to require product samples and testing. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services or whether the supplier is approved. Our criteria for approving or revoking approval of suppliers includes: the supplier’s ability to provide sufficient quantity of goods; quality and reliability of goods or services at competitive prices; production and delivery capability; dependability and general reputation; system uniformity; and impact on other supplier agreements. We are not required to approve any proposed supplier and we may disapprove a proposed supplier who does not meet our

requirements. We may also disapprove a proposed supplier if the purchase would violate a contract with an existing supplier.

Periodically, we may review our approval of any goods, services or suppliers. We will notify you if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier. Additionally, we may negotiate pricing arrangements, including volume discounts, on behalf of our franchisees with our suppliers. Volume discounts may not be available to franchisees located in outlying markets that a particular supplier does not serve in significant volume.

We do not currently have any purchasing or distribution cooperatives. We reserve the right to establish both voluntary participation and mandatory participation in purchasing or distribution cooperatives in the future.

In 2022, our total revenue was \$0, and \$0 or 0% of our total revenue was derived from required purchases or leases of products or services acquired by franchisees. In 2022, the total revenue of our affiliate Wellness Way Enterprises LLC was \$10,684,412, and \$0 or 0% of WWE's revenue was derived from required purchases or leases of products or services acquired by franchisees.

We estimate that approximately 80% to 90% of your expenditures for leases and purchases in establishing your franchised The Wellness Way Clinic will be for goods and services that must be purchased from us, our Affiliate or an approved supplier or according to our standards and specifications. We estimate that approximately 10% to 20% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us, our Affiliate, or an approved supplier or according to our standards and specifications.

We do not currently receive any compensation from any supplier or provider based on purchases made by franchisees, but reserve the right to receive compensation in the future. In 2022, We did not receive any rebates or other compensation from suppliers. Some vendors and suppliers who may provide services to The Wellness Way franchisees may pay a sponsorship fee in order to present information at conferences sponsored by The Wellness Way. We do not provide any material benefits to franchisees based upon a franchisee's purchase of particular products and/or services or the use of particular suppliers.

ITEM 9. FRANCHISEE’S OBLIGATIONS

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

Obligation		Section in the Franchise Agreement	Disclosure Document ITEM
a.	Site selection and acquisition/lease	Section 6	ITEMS 11 & 12
b.	Pre-opening purchases/leases	Sections 6, 9, and 15	ITEMS 7 & 8
c.	Site development and other pre-opening requirements	Sections 6, 9, and 15	ITEMS 7, 8 & 11
d.	Initial and ongoing training	Section 9	ITEMS 6, 7 & 11
e.	Opening	Sections 6, 9	ITEM 11
f.	Fees	Sections f, 9, 13, 17, 18, 19, 20, 23, and 24	ITEMS 5, 6 & 7
g.	Compliance with standards and policies/Confidential Operations Manual	Sections 10, f, 12, 13, and 15	ITEMS 8, 14 & 16
h.	Trademarks and proprietary information	Sections 7, 8 and f	ITEMS 13 & 14
i.	Restrictions on products/services offered	Sections 7 and 15	ITEMS 8 & 16
j.	Warranty and customer service requirements	Section 15	ITEM 16
k.	Territorial development and sales quotas	Not Applicable	Not Applicable
l.	Ongoing product/service purchases	Section 15	ITEMS 8 & 11
m.	Maintenance, appearance and remodeling requirements	Sections 6, 12 and 15	ITEM 6
n.	Insurance	Section 17	ITEMS 6, 7 & 8
o.	Advertising	Section 13	ITEMS 6, 7 & 11
p.	Indemnification	Section 22 23	ITEM 6
q.	Owner’s participation/management/ staffing	Section 15	ITEM 15
r.	Records and reports	Section 14	ITEM 11

Obligation		Section in the Franchise Agreement	Disclosure Document ITEM
s.	Inspections and audits	Sections 7 and 14	ITEMS 6, 11 & 13
t.	Transfer	Section 20 and Exhibits 1 and 5	ITEMS 6 & 17
u.	Renewal	Section 5 and Exhibits 1 and 5	ITEM 17
v.	Post-termination obligations	Section 19 and Exhibits 2 and 5	ITEM 17
w.	Non-competition covenants	Sections 8 and 19 and Exhibits 2 and 5	ITEM 17
x.	Dispute resolution	Section 25 and Exhibit 5	ITEM 17
y.	Owner/Shareholder/Spousal Guarantee	Section 24.5, Exhibit 3	ITEM 15

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your lease 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.

Before you open your franchised The Wellness Way Clinic, we will:

1. provide you with our criteria for equipment and supplies necessary for the buildout and operation of the franchised business. (Section 6.1)
2. provide you with our site selection criteria. You are responsible for locating the proposed site for your The Wellness Way Clinic, and you must submit your selection to us for approval. We will review your proposal and communicate acceptance or denial within a reasonable time after receipt of all information requested (usually 1-2 business days). In determining whether to approve your site we will consider a variety of legal, construction, economic, and demographic factors including but not limited to: willingness of landlord to consent to our required lease terms and execute the lease rider, the square footage of the proposed premises (must be a minimum of 1,500 square feet), feasibility of building out premises to meet our requirements, demographics, neighboring businesses, traffic counts, signage and visibility, parking, accessibility for disabled persons, and electrical service/wiring. If you and we cannot agree on an Approved Location, you will be required to locate an alternative site and resubmit a request for approval. If we are not able to agree on an Approved Location within the time frame for Opening, the franchise agreement may be terminated without refund. We do not typically own the premises leased to franchisees.
3. provide an initial training program. This training is described in detail later in this ITEM. (Section 9.1)

4. provide to you, on loan, one copy of the Wellness Way Confidential Operations Manual or provide you with access to an electronic copy of the Confidential Operations Manual. The approximate total number of pages in the written portion of the Confidential Operations Manual as of the date of this Disclosure Document is 128. The Table of Contents of the Confidential Operations Manual, along with number of pages devoted to each section, is included as **Exhibit D** to this Disclosure Document. (Section 11.1)

After the opening of the franchised The Wellness Way Clinic and while you are in compliance with your obligations under the Franchise Agreement, we:

1. Will provide access to our The Wellness Way System Software (or such other software or technology which may be later developed)
2. Will provide you with a list of approved suppliers for testing, supplements, and other inventory purchases
3. May periodically advise you and offer general guidance to you by telephone, video conference, e-mail, intranet, facsimile, newsletters and other methods. Our guidance is based on our and our Affiliate's knowledge and experience. We may offer you advice and guidance on a variety of business matters, including operational methods, clinical coaching, accounting procedures, authorized products or services and marketing and sales strategies. (Section 16.1)
4. May make periodic visits to the franchised The Wellness Way clinic to provide you with consultation, assistance and guidance in various aspects of the operation and management of the franchised The Wellness Way Clinic. We may prepare written reports suggesting changes or improvements in the operations of the franchised The Wellness Way Clinic and detailing deficiencies that become evident as a result of a visit. If we prepare a report, we may provide you with a copy. (Section 16.2)
5. May make available to you operations assistance and ongoing training as we think necessary. (Section 9.4) Ongoing training programs are described later in this ITEM and in ITEM 6. (See also ITEM 9.d.)
6. May approve forms of marketing materials you may use for local marketing, social media, SEO, Adwords, and online marketing. (Section 13.1) Our marketing programs are described later in this ITEM. (See also ITEM 9.o.)
7. May provide you with modifications to the Confidential Operations Manual as they are made available to franchisees. (Section 11.2) The Confidential Operations Manual is described in ITEM 14. (See also ITEM 9.g.)

Advertising and Promotion

We do not have an obligation to conduct marketing on behalf of the franchise system. You are restricted from establishing a presence on, or marketing on, the Internet without our consent.

If we provide you with a webpage on the franchise system website, you must (i) provide us the information and materials we request to develop, update and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) if we give you the right to modify your webpage, notify us whenever you change the context of your webpage. We may also establish or authorize a third party to establish an email system in which you are required to participate. You must execute any agreements required by the third party provider and pay the provider any fees required to participate in the email system. We will maintain the franchise system website. We periodically may update and modify the

franchise system website (including your webpage), and we have final approval rights over all information on the franchise system website (including your webpage). We will only maintain your webpage while you are in full compliance with the franchise agreement and all system standards, and we reserve the right to remove your webpage if you are in default of such until you cure such default. You may not develop, maintain or authorize any other webpage, internet site or social networking site (including but not limited to Facebook, Instagram, and Twitter) that mentions or describes you, your Franchised The Wellness Way Clinic, or the services provided through your clinic or which displays any of the Marks without our prior written permission. You may request our consent to establish a social media or other online page using the Marks by using the form attached to the Franchise Agreement as **Exhibit 9**. In the event we authorize you to use the Marks in an online or social media forum, you agree that we will have administrative access to such forum and agree to provide us with all access, login and password information for such online and/or social media forums. As set forth in **Exhibit 9**, our approval of a Franchisee's use of a social media platform contemplates you administering/posting on the platform with the us only exercising our rights when we deem necessary. We have no obligation to agree to your use of the Marks in any online media or platform.

Local Marketing Requirement

You are required to contribute to the marketing of your The Wellness Way Clinic in your local market area, but the amount you will spend is determined by you in your reasonable business judgment. Your Local Marketing is separate from amounts you will contribute to the Global Marketing Fund. You may only use marketing that has been approved by Us. We have the right, by providing written notice to you, to require you to spend all or a portion of your Local Marketing with approved suppliers. We reserve the right to collect such amounts directly from you via EFT to pay such required suppliers. If we request information from you regarding your local marketing, you must provide us (in a form we approve or designate) evidence of your required local marketing expenditures within thirty (30) days following our request for the period specified in the request. We may require, upon written notice to you, that you submit to us a 12 month plan outlining your proposed local marketing for a specified twelve month period.

You have the option of participating in The Wellness Way Marketing Program by signing up with us and paying our monthly fee, currently \$499 per month and which may fee be changed from time to time with notice to you. If you elect to participate in The Wellness Way Marketing Program, we will prepare online marketing for your use and will work with you in developing, tracking the effectiveness of, and implementing a marketing campaign for your Franchised The Wellness Way Clinic.

Advertising Cooperatives

The Wellness Way does not currently have formal advertising cooperatives, but franchisees in neighboring territories may choose to form marketing cooperatives when they deem it beneficial to do so. Additionally, we may require you to join and participate in any Marketing Cooperative encompassing the territory in which your franchised The Wellness Way Clinic is operated. We reserve the right to form, change, dissolve, or merge, Marketing Cooperatives.

The Global Marketing Fund

The Wellness Way has implemented a Global Marketing Fund wherein franchisees are required to contribute 1% of their Gross Revenue to the Global Marketing Fund. (Section 4.3). Franchisor and Affiliate owned outlets operating The Wellness Way Clinics will contribute to the Global Marketing Fund at the same rate as franchisees. The Wellness Way is not required to spend any Global Marketing Funds in any franchise territory. Existing franchisees may have varying rates of participation based on their franchise agreements. The Wellness Way reserves the right to include caps or limits on contributions to the Marketing Fund. In addition to the Global Marketing Fund Contributions, you must also spend an amount determined by you in your reasonable business judgment on local marketing each month. (Section 13)

We will administer the Global Marketing Fund as follows:

(a) We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements and marketing resources. We may use any media or venue for advertisements and promotions including without limitation print, television, radio, internet or other media;

(b) We may use your contributions to meet or reimburse us for any cost of producing, maintaining, administering and directing consumer marketing (including the cost of preparing and conducting television, radio, internet, magazine, direct mail, social media, and newspaper marketing campaigns and other public relations activities; hosting an internet web page of similar activities; employing marketing agencies to assist therein; providing promotional brochures; conducting market research and analytics; and providing other marketing materials to franchisees). We will maintain your contributions in a separate account from our funds, and we will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Global Marketing Fund, creation of marketing materials, and any employees or contractors used specifically for consumer marketing. We will not use Global Marketing Fund contributions for the direct solicitation of franchise sales;

(c) We expect to use all contributions in the fiscal year they are made or the following fiscal year. We will use any interest or other earnings of the Global Marketing Fund before we use current contributions. We intend for the Global Marketing Fund to be perpetual, but we have the right to terminate it if it is desirable to do so. We will not terminate the Global Marketing Fund until all contributions and earnings have been used for marketing and promotional purposes or we have returned your *pro rata* share of the unused portion of the fund;

(d) We will have an accounting of the Global Marketing Fund prepared each year and will provide you with a copy if you request it. We are not required to have the annual accounting be reviewed or audited and reported on by an independent certified public accountant, but may require such review or audit at the Global Marketing Fund's expense;

(e) The Global Marketing Fund is not a trust, and we assume no fiduciary duty in administering the Global Marketing Fund;

In 2022, The Wellness Way collected \$0 in Global Marketing Fund fees.

Except for salaries of any marketing personnel that may be employed by us and the reimbursement of overhead expenses directly related to the administration of the fund, we do not and will not receive compensation for providing goods or services to the fund. No Global Marketing Fund fees were used for solicitation of new franchisees in 2020. See ITEMS 6 and 9 for other marketing information.

Computer/Point-of-Sale System

You must purchase and use any hardware and software programs we designate. (Section 14.4) Presently, we require you to install and use the following hardware and software:

Hardware
A laptop computer or a desktop computer(s) and tablet(s)
High speed internet access
Scanner/Printer
Software
Adobe PDF
Microsoft Office

QuickBooks
Xray Marking Software
The Wellness Way System Software

The approximate cost of the hardware and software will depend on the number of consultation rooms in your The Wellness Way Clinic and ranges from approximately \$8,000 to \$12,000. This cost is included in the category of “Furniture, Equipment, Computers, and Supplies” in Your Estimated Initial Investment chart in ITEM 7. You are also required to maintain a subscription to QuickBooks, which is currently estimated at \$30 per month. You must obtain a subscription to the Xray Marking Software we designate from our Approved Supplier which is currently estimated at \$3,600 (included in estimate above). The Quickbooks subscription and Xray Marking Software are included in the category of “Furniture, Equipment, Computers, and Supplies” in Your Estimated Initial Investment chart in ITEM 7. You must also use The Wellness Way System Software. We do not currently charge a fee for The Wellness Way System Software.

You do not currently have to enter into any ongoing maintenance or support agreements for the maintenance of a computer or point-of-sale system, but you may find it advantageous to do so. We reserve the right to require an ongoing maintenance program in the future. You may periodically be required to update or upgrade computer hardware and software, if we believe it is necessary. We may introduce new requirements for computer and point-of-sale systems or modify our specifications and requirements. There are no limits on our rights to do so, except as disclosed in ITEM 16. We have the right to independently access all information you collect or compile (except personally identifiable information about patients of your clinic) at any time without first notifying you. Other than the access to patient information and patient records, (See HIPAA information below), there are no contractual limits imposed upon our access to your computer information. (Section 14).

The Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) is a comprehensive nation-wide policy regarding patient privacy, enacted via a series of rules, including the Privacy, Security, and Enforcement Rules in 2003 (as updated from time to time) and the Breach Notification Rule in 2013. See 45 C.F.R. Part 160 and Part 164, Subpart E. In compliance with HIPAA, we will not access your patient information and patient records. As set forth in section 14 of the Franchise Agreement, Franchisee shall have exclusive rights to access and duty to maintain any Patient Information and Patient Records.

Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 12-16 weeks. Factors that may affect your beginning operations include your location of an Approved Location and timely submission of all requested information to us for approval, ability to secure licenses and permits, zoning and local ordinances, weather conditions, and your ability to complete our training program. You must open your franchised The Wellness Way Clinic within 180 days after signing the Franchise Agreement or obtain our written consent to an extension of time to open for good cause. (Sections 6.2 and 6.3) You will be deemed to have commenced operations of your Franchised The Wellness Way Clinic when you have completed the initial training program described below, completed build-out of your commercial location, and obtained our consent to open.

Training

We provide you an initial training program that covers material aspects of the operation of the franchised The Wellness Way Clinic. The topics covered are listed in the chart below. The hours for training are estimates, and actual timeframes will vary depending on the background and experience of the trainees. This training is offered on a periodic basis at our headquarters in Green Bay, Wisconsin, or another location we designate. We expect that your attendees will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are an estimate of the time it will take to complete training.

You must designate to us the following designees who must each complete our initial training program: Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, Designated Marketing Coordinator. With our approval, an individual may hold one, two, or three, of these four designated positions (as explained below), but you must: (a) designate to us the person or persons who will hold the positions; (b) obtain our approval for an individual to hold multiple designated positions; and (c) ensure that the designated individual completes all required training for all of the approved designated positions. We may allow (and we may require) your Designated Managing Owner be a licensed chiropractor and also serve as your Designated Managing Chiropractor. If your Designated Managing Owner is not a licensed chiropractor, you must also designate a licensed chiropractor who has authority to manage the chiropractic and medical professionals in your clinic, and your Designated Managing Chiropractor must also satisfactorily complete the initial training program before opening. Your Designated Office Manager and Designated Marketing Coordinator must also complete initial training programs for those positions and must do so before or within six months after opening. The position of Designated Marketing Coordinator may be held by your Designated Managing Owner, Designated Managing Chiropractor or Designated Office Manager. If you request that your Designated Office Manager and/or Designated Marketing Coordinator complete the initial training program within six (6) months after opening your clinic, their initial training is also included in the initial franchise fee. Other owners and/or staff members may attend the training program for no additional charge provided that they attend training at the same time as the Designees (one or two total in-person initial training sessions). We recommend that every stakeholder in your Franchised Business attend our training program.

We do not charge for initial training for owners/staff members completing training at the same time as the Designated Managing Owner/Designated Managing Chiropractor or the Designated Office Manager/Designated Marketing Coordinator (one or two total in-person initial training sessions depending on your staffing prior to opening). You must pay for all travel costs and living expenses for yourself and any of your other attendees. These costs are estimated in ITEM 7. If you replace your Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator your new designee must attend our training program within 6 months. You may be charged fees for additional training. Our current fees for replacement designee training are described in ITEM 6. You are responsible for training your own employees and other management personnel. Your franchised The Wellness Way Clinic must at all times be under the day-to-day supervision of a Designated Managing Chiropractor and Designated Office Manager who have satisfactorily completed our training program. (Section 9).

Practitioner Program Franchisees: Clinics who were affiliated with The Wellness Way pursuant to a written Practitioner Program Agreement prior to the issuance date of this disclosure document may apply to The Wellness Way to have some or all of the initial training requirements waived based on their demonstrated understanding of The Wellness Way System Standards and their completion of prior training programs and seminars.

The charts below outline the training program for the Designated Managing Owner/Designated Managing Chiropractor, the Designated Office Manager, and the Designated Marketing Coordinator.

**DESIGNATED MANAGING OWNER / DESIGNATED MANAGING CHIROPRACTOR
TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
ONLINE TRAINING			
Franchise Quick Start	13.5	0	Online Training at Franchisee's location
Lab Quick Start	16	0	Online Training at Franchisee's location
GI	3.5	0	Online Training at Franchisee's location
Endocrine	6.5	0	Online Training at Franchisee's location
Thyroid	5	0	Online Training at Franchisee's location
Liver	2.5	0	Online Training at Franchisee's location
Cardiovascular	3.5	0	Online Training at Franchisee's location
Metabolic Physiology	3.0	0	Online Training at Franchisee's location
Immune System	3.0	0	Online Training at Franchisee's location
Biotoxins	2.5	0	Online Training at Franchisee's location
Endocannabinoid system	1	0	Online Training at Franchisee's location
Patient Practice Protocol	3.5	0	Online Training at Franchisee's location
Supplements	2	0	Online Training at Franchisee's location
TOTAL ONLINE	~ 65.5	0	Online Training at Franchisee's location

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
IN-PERSON TRAINING			
The Wellness Way Overview	3	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TWW System Software	2	2	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Billing Compliance Training	1	1	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Marketing Overview	2	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Xrays and Xray Marking	1	1	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Wellness Consulting	2	2	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Patient Care Plans & Review	2	2	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Questions and Answers	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TOTAL IN-PERSON	~14	~9	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TOTAL ALL TRAINING	~79.5	~9	Online and In-Person

**DESIGNATED OFFICE MANAGER
TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
ONLINE TRAINING			
Franchise Quick Start	13.5	0	Online Training at Franchisee's location
Administrative Practices and Procedures	18	0	Online Training at Franchisee's location
TOTAL ONLINE	~31.5	0	Online Training at Franchisee's location
IN-PERSON TRAINING			
The Wellness Way Overview	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TWW System Software	4	3	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Opening and Closing Procedures	0	1	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Patient Scheduling and Onboarding	2	3	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Books, Records, & Billing Compliance	3	3	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Supplies and Inventory Management	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Staffing Management	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Questions and Answers	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TOTAL IN-PERSON	~13	~10	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TOTAL ALL TRAINING	~44.5	~10	Online and In-Person

**DESIGNATED MARKETING COORDINATOR
TRAINING PROGRAM**

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
ONLINE TRAINING			
Franchise Quick Start	13.5	0	Online Training at Franchisee's location
Administrative Practices and Procedures	18	0	Online Training at Franchisee's location
TOTAL ONLINE	~31.5	0	Online Training at Franchisee's location
IN-PERSON TRAINING			
The Wellness Way Overview	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TWW System Software	4	3	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
The Wellness Way Branding Guide	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
The Wellness Way Social Media Guidelines	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Online Marketing Essentials	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Designing and Implementing a Marketing Campaign	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Tracking Performance Indicators and Adjusting	1	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
Questions and Answers	3	0	Our headquarters in Green Bay, Wisconsin or an Approved Clinic
TOTAL IN-PERSON	~14	~3	
TOTAL ALL TRAINING	~44.5	~3	ONLINE AND IN-PERSON

Classroom Training refers to training that is conducted at the corporate headquarters in Green Bay, Wisconsin, online, or a location to be designated by the franchisor. On-The-Job Training refers to training that is conducted at one of our approved The Wellness Way Clinics. The online portion of the training

program is available at the franchisee's convenience. The in-person portions of the training program are scheduled by Franchisor as need, typically once per quarter.

Training will be conducted by one or more of the following individual and such other trainers as they may direct. Each trainer identified below has experience with The Wellness Way family of companies for six months or more.

Trainers: Dr. Patrick Flynn (Our founder with 21 years of clinical and business experience), Dr. Zach Papendieck (11 years clinical experience), Dr. Mitch Sutton (6 years clinical experience), Dr. Jason Nobles (20 years clinical experience), Dr. Stephen Lemmons (13 years clinical experience), Nicole Saleske, FNP, APNP (5 years clinical experience), Dr. Laura Hemgren (22 years clinical experience), Dr. Jeremy Maxwell (22 years clinical experience), Dr. Jesse Anderson (10 years clinical experience), Dr. Vicki Goldapske (29 years clinical experience), Dr. Andy Tretalaar (20 years clinical experience), Joe Kiedinger (21 years coaching and curriculum experience), April Johnson (6 years coaching experience), Nicole Seidel (4 years of experience with clinic management and The Wellness Way family of companies), Ross Skorzewski (6 years of experience with The Wellness Way family of companies and 26 years experience with people development), Cori Costello (3 years of experience with The Wellness Way family of companies), Brandon Flynn (7 years of experience with The Wellness Way family of companies), Bobbi Karcz (2 years of experience with The Wellness Way family of companies), Crystal Pranke (7 years of experience with The Wellness Way family of companies), Sara Frisque (2 years with The Wellness Way), Jonie Martin (2 years with The Wellness Way), Travis Frisque (2 years with The Wellness Way), and/or Tresa Harry (1 1/2 years with The Wellness Way).

Substitute Trainers: If circumstances require, a substitute trainer may provide training to you. We may periodically name additional trainers if the training schedule requires it. Any additional or substitute trainers will be required to have at least 6 months experience with The Wellness Way family of companies in the area in which they are training. There are no limits on our right to assign a substitute trainer to provide training. Certain segments of the training may vary from the chart shown above based on schedule changes due to business requirements and other factors. We will attempt to give you advance notice when this occurs.

Training Materials: The training will include the following instructional materials: The Wellness Way Confidential Operations Manual, including The Wellness Way University, videos and one or more position specific training manuals. The dates and location of the training will be communicated to you in the Confidential Operations Manual or via other written communication.

Time to Complete Initial Training: All Designees must complete the online portion of the initial training program within sixty (60) days after signing the Franchise Agreement. Your Designated Managing Owner and Designated Managing Chiropractor must complete the in-person portion of the initial training program at least thirty (30) days prior to opening your Franchised The Wellness Way Clinic. Your Designated Managing Office Manager and Designated Marketing Coordinator must complete the in-person portion of the initial training program within 280 days of signing the Franchise Agreement.

HIPAA Privacy Training: In addition to the training described above, each person who will work in your Franchised The Wellness Way Clinic must successfully complete an online HIPAA Privacy Training Course and obtain a certification of successful completion. This online course must be completed through an approved third party provider, and we estimate that your cost will be approximately \$30 per person. Upon completion of the HIPAA Privacy Training Course, you must provide us with a copy of the certificate of completion for each employee.

New Practitioner Training: Every practitioner (e.g. Chiropractors, Nurse Practitioners, Doctors, Naturopaths, etc.) who will be providing patient consultations and/or patient care must complete the approximately 60 hour online training program listed in the Designated Managing Owner/Designated Managing Chiropractor training chart above, and this online training must be completed within 6 months

of being hired. At the franchisee's discretion, the franchisee may send any practitioner to in-person training by contacting us and paying our then current training fee, currently \$3,000. There is no charge for additional practitioners to attend in-person training at the same time as the initial Designated Managing Chiropractor. Franchisee will be responsible for all travel, lodging, meals and other expenses incurred while attending any training program.

Ongoing Training: Periodically, you, your managers or employees must attend refresher-training programs to be conducted at our headquarters, online, or another location we designate. Attendance at these programs will be at your expense. You do not have to attend more than 1 of these programs in-person in any calendar year and these programs will not exceed 3 days during any calendar year, except for training required to cure a default. (Section 9.4)

Operations Manual: The Wellness Way Operations Manual consists of a series of manuals in paper or electronic form, and additional resources, videos, memoranda and publications. As of the issuance date of this Disclosure Document, the written Operations Manual consists of 359 pages. The Table of Contents for the written Operations Manual is attached to this Disclosure Document as Exhibit D.

ITEM 12. TERRITORY

The franchise is for a specific, approved location, and you may only operate your Franchised The Wellness Way Clinic from the Approved Location. You may not relocate your Franchised The Wellness Way Clinic from the Approved Location without first obtaining our written consent. We will apply the same criteria for approving a relocation as we apply for granting approval of the Approved Location for a new franchisee. For example, and not as a limitation, we may consider rights of other franchisees, our current franchise sales plans and activities, market demographics, and whether the location meets our site selection criteria.

We will grant you a protected territory surrounding your Approved Location known as (the "Area of Primary Responsibility"), which will be mutually acceptable to you and us. We will define the Area of Primary Responsibility in the Franchise Agreement (if an Approved Location is already known) or in an addendum to the Franchise Agreement after you select and we accept the location of your franchised The Wellness Way Clinic. Typically, the Area of Primary Responsibility will be a 3 mile or greater radius from the Approved Location for your The Wellness Way Clinic. We will describe the Area of Primary Responsibility using coordinates or fixed geographical features on a map. The geographic size of the Area of Primary Responsibility will vary based upon the population density and a variety of demographic factors.

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. Other The Wellness Way franchisees, as well as us and our affiliates, will not be granted rights to open The Wellness Way Clinic inside your Area of Primary Responsibility, but there are no restrictions on the residence of any patient or customer, and there are no restrictions on the right of any professional to provide telehealth or remote wellness consultations with a patient in any geographic location. Additionally, our affiliate, WWE, offers direct online sales of The Wellness Way branded nutritional supplements and other products, and there are no restrictions on the right of WWE to sell to consumers located in your territory. We will not provide compensation to you for sales conducted to consumers located in your territory.

You agree to limit targeted or direct solicitation and marketing (including but not limited to direct marketing, telemarketing, or other direct solicitation) to persons in your Area of Primary Responsibility unless such person (regardless of where they live) has voluntarily signed up to receive communications with you or you have obtained our written permission. You are permitted to use public media with a broad reach, such as newspaper, radio, television and other electronic means of general solicitation to attract patients. You must obtain our permission to use the Marks on the internet. You may serve any customer from your Approved Location who has voluntarily signed up as your customer, regardless of where such customer lives. You may sell and ship products to any of your customers, regardless of their location, and

you may provide telehealth/consultations to your customers regardless of the customer’s location (subject to state licensing laws). If Franchisee desires to conduct targeted or direct marketing outside of Franchisee’s Area of Primary Responsibility, and the area of desired marketing both (a) neighbors Franchisee’s Area of Primary Responsibility and (b) is not the Area of Primary Responsibility of any other Franchisee, Franchisee may submit a written request to Franchisor for approval of the proposed out of territory marketing. Franchisor reserves the right to approve or deny any request for marketing approval outside of the Area of Responsibility in its sole and absolute discretion. Any approval granted may be granted on a non-exclusive basis and may be revoked at any time with Franchisor’s notice to Franchisee. Except as set forth above, you do not have rights to use other channels of distribution such as the Internet, catalog sales, telemarketing, or other direct marketing to make sales outside of your territory.

Your purchase of a franchise does not provide you with any options, rights of first refusal, or similar rights to acquire additional franchises.

We reserve all other rights for ourselves, including (by way of example and not as a limitation): a) the right to develop and operate or grant others to right to develop and operate a Franchised The Wellness Way Clinic located anywhere outside your Area of Primary Responsibility on terms and conditions we deem appropriate, b) the right to develop and operate or grant others the right to develop and operate Clinics that may offer products and services which are identical to products and services offered by your The Wellness Way franchise, under trade names, trademarks, service marks and commercial symbols which are different from the Marks; c) the right to produce and sell products using the Marks or other commercial symbols through other channels of distribution (including the internet) including products and/or services that are identical or similar to, and/or competitive with, those of your The Wellness Way franchise, regardless of the nature or location of the customers; d) the right to require the assets or ownership interest of one or more businesses providing products and services similar to those provided at your The Wellness Way franchise, and franchise, license or create similar arrangements with respect to these businesses once required (even if the business is located within the territory); e) the right to be acquired by a business providing products and services similar to those provided at your The Wellness Way franchise, or by another business, even if such business operates franchises or other competitive businesses in the territory; f) the right to operate other retail outlets or enter into other lines of businesses offering dissimilar products or services under trademarks or service marks other than the Marks; and g) engage in all other activities not prohibited by the franchise agreement. Neither we nor any of our affiliates currently have any plans to operate or franchise a business under a different trademark which will sell goods or services similar to those The Wellness Way franchisees will offer. The Wellness Way is not required to pay you if we exercise any of the rights specified above inside or outside the area where you conduct business.

To maintain your territorial rights, you are required to meet minimum performance requirements, with generally increasing gross revenues, the more experience you have as a franchise. There are no minimum performance requirements during the first year following the opening of your Franchised The Wellness Way Clinic. Your performance requirements thereafter are set forth as monthly gross revenue requirements per year, measured from the first full month following your opening. The chart below sets forth the performance requirements:


CALENDAR YEAR	GROSS MONTHLY REVENUE
First Year	No Minimum Requirement
Second Year	\$20,000 per month
Third Year	\$35,000 per month
Fourth Year and thereafter	\$50,000 per month

If the Franchise Agreement is renewed following the initial term of seven (7) years, the Franchisee agrees that the 4th year and thereafter requirements will apply to each year of any successor term. Franchisee agrees that Franchisee’s failure to receive the Minimum Required Gross Revenue constitutes a material default in this Agreement and entitles The Wellness Way to terminate the Franchise Agreement.

The Wellness Way does not represent or warrant that any Franchisee will achieve any specific level of Gross Revenues or that any Franchisee will make any profit. The Minimum Required Gross Revenues set forth above do not constitute a representation that you will achieve these results. Instead, these Minimum Required Gross Revenues reflect what The Wellness Way requires for the Franchise Agreement to remain in effect.

ITEM 13. TRADEMARKS

You receive the right to operate your business under the name The Wellness Way, which is the primary Mark used to identify our System. You may also use any other current or future Marks to operate your franchised Business that we designate, including the logo on the front of this Disclosure Document and the service marks listed below. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify your business. We have obtained a registration for the following Marks on the U.S. Patent and Trademark Office (“USPTO”) Principal Register:

Mark	Registration Number	Registration Date
THE WELLNESS WAY CLINICS	4816305	July 7, 2015
	6607457	January 4, 2022

We have also applied for but not yet obtained registration of the following Mark:

Mark	Serial Number	Application Date
THE WELLNESS WAY	97090941	October 25, 2021

We do not have federal registration for the above trademark (serial 97090941). Therefore, this trademark does not have as many legal benefits and rights as a federally-registered trademark. If our right to use the trademark is challenged. You may have to change to an alternate trademark, which may increase your expenses.

We intend to file all required affidavits to maintain our registrations.

There are no effective material determinations of the USPTO, trademark trial and appeal board, the trademark administrator of any State or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks.

There are no agreements currently in effect that will significantly limit our rights in the future to use or license the use of the Marks in any manner material to your franchise.

We know of no infringing or prior superior uses that could materially affect your use of the Marks in the franchised business.

You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your franchised The Wellness Way Clinic. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the franchised The Wellness Way Clinic, subject to

applicable State laws. You cannot use a Mark as part of a corporate, partnership or limited liability company name and will instead register a d/b/a or fictional name in the format “The Wellness Way – *[insert TWW assigned geographic designator]*. You cannot use the Mark with modifying words, designs or symbols except for those which we license to you. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law, and you must ensure that such registration is done in accordance with laws governing chiropractors in your state. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person (other than us and our owners and affiliates) of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so. However, you may communicate with your own counsel at your own expense. We will take the action we think appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

While we are not required to defend you against a claim arising from your use of our Marks, we will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. If we elect to defend you in such a proceeding, we will not reimburse you for your expenses and legal fees for separate, independent legal counsel. In any event, we will not reimburse you for expenses incurred in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

If we so require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised The Wellness Way Clinic for the new or modified Marks. You do not have to spend more than \$15,000 during the initial term of the Franchise Agreement to conform your franchised The Wellness Way Clinic to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

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

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using, any domain name containing the words “The Wellness Way” or any variation of “Wellness Way” without our prior written consent. You can apply for consent by using the form attached to the Franchise Agreement.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We own copyrights in the Confidential Operations Manual, including the Wellness Way University, our website, our marketing materials, our system software, and other

copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the franchised The Wellness Way Clinic and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating The Wellness Way Clinic. We will provide our trade secrets and other confidential information to you during training, in the Confidential Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your franchised The Wellness Way Clinic. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised The Wellness Way Clinic. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families or households), officers, directors, partners, and members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff, may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning the franchised The Wellness Way Clinic and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any such concept or development if requested.

Your use of the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED THE WELLNESS WAY CLINIC

The franchised The Wellness Way Clinic must always be under the supervision of a Designated Managing Chiropractor and Office Manager, who regularly spend 25 hours or more in the Franchised The Wellness Way Clinic, unless you have received a written approval from TWW for an alternate arrangement. If you are an individual, you must also be the Designated Managing Owner and Designated Managing Chiropractor of the franchise, and you must obtain our consent to select another individual to replace you as the Designated Managing Owner or Designated Managing Chiropractor. If you are a corporation or other business entity, you will select a Designated Managing Owner, a Designated Managing Chiropractor (DMO and DMC may require be the same person), an Office Manager, and a Marketing Coordinator for the franchise, and we may require that the Designated Managing Owner and/or Designated Managing Chiropractor you select are an owner of at least 15% of the equity of the business entity. Your Designated Managing Chiropractor must be a licensed chiropractor with authority to supervise the staff of your The Wellness Way Clinic and must commit to 25 or more hours weekly at the franchised The Wellness Way Clinic.

You must keep us informed at all times of the identity of your Designated Managing Owner, Designated Managing Chiropractor, Office Manager, and Marketing Coordinator. With our approval, an individual may hold multiple designated positions (as described below), but you must: (a) designate to us the person or persons who will hold the positions; (b) obtain our approval for an individual to hold multiple designated positions; and (c) ensure that the designated individual completes all required training for all of the approved designated positions. We may allow (and we may require) that the Designated Managing Chiropractor also be your Designated Managing Owner. Your Designated Managing Owner, Designated Chiropractor, or Designated Office Manager may also hold the position of Designated Marketing Coordinator. The Designated Managing Owner and Designated Managing Chiropractor must satisfactorily complete our initial training program before opening the franchised The Wellness Way Clinic.

The Designated Office Manager and Designated Marketing Coordinator must complete our initial training program before opening or within six (6) months of opening. If you must replace the Designated Managing Owner, Designated Managing Chiropractor, Office Manager, or the Marketing Coordinator, the replacement must satisfactorily complete our initial training program. You are not a passive investor, and, instead, you must be actively engaged in the operations of the franchise, and you should not expect to derive profits solely from the efforts of others. Your Designated Managing Chiropractor and Office Manager must select, train, evaluate, and supervise all staff of your Franchised The Wellness Way Clinic.

As described in ITEM 14, certain individuals associated with your franchised The Wellness Way Clinic, including your owners (and members of their immediate families or households), officers, directors, partners, managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement, by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

Under the Franchise Agreement, you and your owners must at all times faithfully, honestly and diligently perform your and their obligations under the Franchise Agreement. You and they must continuously exert your and their best efforts to promote and enhance your The Wellness Way Clinic. Neither you nor your owners can engage in any other business or activity that may conflict with your or their obligations under the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the products and services we specify. You may not sell any products or services that we have not authorized, and you must discontinue offering any products or services that we may disapprove. We may take action, including terminating your franchise, if you purchase or sell unapproved products or make purchases from unapproved suppliers. We may periodically change required or authorized products or services. There are no limits on our right to do so, except that your investment required to change authorized or required services and products will not be unreasonably disproportionate to your initial investment during the initial term of the franchise.

Periodically, we may allow certain products or services that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

We do not place restrictions on you with respect to who may be a customer of your franchised The Wellness Way Clinic. You are prohibited from offering the products or services identical to the products or

services offered by us through any means or through any other entity in which you may have an interest, other than your franchised The Wellness Way Clinic.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	Section 5.1	The initial term is 7 years.
b. Renewal or extension of the term	Section 5.2	Subject to the conditions in (c) below, so long as we are continuing to offer franchises, you have the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with us for an additional 7 year term. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the term of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 5.2	You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have paid the renewal fee; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us and our Affiliates; are not in default of any provision of the Franchise Agreement or any other agreement with us or our Affiliates; have given timely written notice of your intent to renew; sign a then-current Franchise Agreement, which may have materially different terms and conditions than your original Franchise Agreement; comply with then-current qualifications and training requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	Section 18.1	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and fail to begin to cure our breach within 45 days of receiving your written notice.

Provision	Section in Franchise or Other Agreement	Summary
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 18.2	We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise agreement will terminate.
g. “Cause” defined- curable defaults	Section 18.3	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Confidential Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 45 days of receiving our notice of default, except for the defaults below that require cure in a shorter time and non-curable defaults in (h) below. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
h. “Cause” defined- non-curable defaults (Franchise Agreement)	Section 18.2	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely establish, equip and begin operations of the franchised The Wellness Way Clinic without obtaining our written consent to an extension for good cause; fail to have your Designated Managing Owner, Designated Managing Chiropractor, Office Manager, and Marketing Coordinator satisfactorily complete training; fail to maintain all required professional licenses, permits, and certifications; made a material misrepresentation or omission in the application for the franchise; fail to have a licensed chiropractor on staff; are prohibited by any State or local governmental body from offering chiropractic services; after notice of the breach, fail to refrain from activities, behavior or conduct likely to adversely affect the reputation of you, us or the franchised The Wellness Way Clinic; offers or uses supplements or testing services not approved by Us; are convicted of or

Provision	Section in Franchise or Other Agreement	Summary
		<p>plead no contest to a felony or other crime or offense likely to affect the reputation of you, us or the franchised The Wellness Way Clinic; use the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner; fail to have your owners (and members of their immediate families or households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the franchised The Wellness Way Clinic for 5 or more consecutive days; surrender or transfer control of the franchised The Wellness Way Clinic in an unauthorized manner; fail to maintain the franchised The Wellness Way Clinic under the supervision of a Designated Managing Owner and Designated Managing Chiropractor following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 3%; become a debtor under the United States Bankruptcy Code, become insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate or otherwise fail to comply with this agreement, whether or not such failures to comply are corrected after notice thereof is given to you; violate, on 2 or more occasions, any health, safety or other laws or operate the franchised The Wellness Way Clinic in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; repeatedly breach the franchise agreement or repeatedly fail to comply with specifications; or default under any other agreement with us (or an affiliate) so that we have (or the affiliate has) the right to terminate the agreement.</p>

Provision	Section in Franchise or Other Agreement	Summary
i. Franchisee's obligations on termination/non-renewal	Section 19, Exh. 6	If the Franchise Agreement is terminated or not renewed and we have not provided notice that we are exercising our rights to purchase, you must: stop operating the franchised The Wellness Way Clinic; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including any damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; de-identify the location of your The Wellness Way Clinic; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement. If we have provided you with notice that we are exercising our rights to purchase or are evaluating our rights to purchase, you must take such steps as we specify to continue operations until the Closing.
j. Assignment of contract by franchisor	Section 20.1	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by franchisee-definition	Section 20.2	"Transfer" includes transfer of an interest in the franchisee, the franchise, the Franchise Agreement, the franchise location or the franchised The Wellness Way Clinic's assets.
l. Franchisor's approval of transfer by franchisee	Section 20.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 20.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you pay, or the transferee pays a transfer fee of \$7,000; all brokerage fees as a result of the

Provision	Section in Franchise or Other Agreement	Summary
		<p>transaction are paid; the transferee has, or the owners of transferee have, agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; the transferee has agreed that its Designated Managing Owner, Designated Managing Chiropractor, Office Manager, and Marketing Coordinator will complete the initial training program before assuming management of the franchised The Wellness Way Clinic; and the transferee has obtained all necessary types of insurance and all licenses, permits, and certifications. The new owner must be of good moral character and meet The Wellness Way's then current standards for franchisees, have sufficient business experience, aptitude and financial resources to operate your The Wellness Way Clinic, not own (or its affiliates may not own) an interest in or perform services for a Competitive Business or Adverse Business.</p>
<p>n. Franchisor's right of first refusal to acquire franchisee's franchised The Wellness Way Clinic</p>	<p>Section 21</p>	<p>We may match an offer for your franchised The Wellness Way Clinic or an ownership interest you propose, or one of your owners proposes, to sell.</p>
<p>o. Franchisor's option to purchase franchisee's The Wellness Way Clinic</p>	<p>Sections 19.4 and 21.4</p>	<p>In addition the right of first refusal described in (n) above, during the 30-day period after the termination, non-renewal or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised The Wellness Way Clinic for fair market value. We also have the right to purchase all assets of your Franchised The Wellness Way Clinic at any time upon notice to you for the greater of \$100,000 or four (4) times the EBITDA of your Franchised The Wellness Way Clinic.</p>

Provision	Section in Franchise or Other Agreement	Summary
p. Death or disability of franchisee	Section 20.6	After your death or incapacity or the death or incapacity of one of your owners, your, his or her representative, as the case may be, must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within a reasonable period of time (typically 90 days) or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 8.4, Exh. 2	You, your owners (and members of their families or households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the franchised The Wellness Way Clinic to a competitive business or causing injury or prejudice to the Marks or the System; or owning or working for a Competitive Business or Adverse Business.
r. Non-competition covenants after the franchise is terminated or expires	Section 19.2, Exhibit 2	Subject to State law, for 3 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families or households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business that provides chiropractic or wellness services within ten (10) miles of your Territory.
s. Modification of the agreement	Sections 11.2, 24.7 and 24.8	The Franchise Agreement can be modified only by written agreement between you and us or by a judicial decision. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 24.7	Only the terms of the Franchise Agreement are binding (subject to applicable law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representation made in the Franchise Disclosure Document, its exhibits and amendments.

Provision	Section in Franchise or Other Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 25	Except for claims for injunctive relief, and subject to state law, all disputes must be arbitrated in Green Bay, Brown County, Wisconsin. Mediation is a condition precedent to conducting an arbitration or other legal proceeding.
v. Choice of forum	Section 25.2, 25.7	Subject to state law, any arbitration or litigation must be pursued in Brown County, Wisconsin.
w. Choice of law	Section 25.1	Subject to state law, the law of the state of Wisconsin applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.), and disputes over copyrights will be governed by federal copyright laws of the United States.

ITEM 18. PUBLIC FIGURES

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

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

Written substantiation pertaining to these financial performance representations is available for inspection at our principal business address and will be provided upon reasonable request.

The financial performance representations in this Item 19 are a historic representation based on the past performance of existing outlets. The financial performance representations below are based on the historic gross revenues of existing corporate affiliate The Wellness Way Clinics for the calendar year 2022. For purposes of this Item 19, gross revenues is defined as total gross receipts, without deductions. For the full calendar year 2022, there were 13 total The Wellness Way clinics open (no franchise units and 13 corporate affiliate units). We ended the 2022 calendar year with 16 open corporate affiliate locations, but three of those locations were not open for the full calendar year and are excluded. The below financial performance representation includes all 13 corporate affiliate clinics that were open for the entire 2022 calendar year. The financial performance representation in this Item 19 was prepared using the historic financials of the corporate affiliates, provided to us by the corporate affiliates. The corporate affiliate locations may differ materially from future operational outlets. For example, during calendar year 2022, the corporate

affiliate locations did not pay royalties or Global Marketing Fund contributions and were not required to meet performance requirements, and Franchisees are required to pay royalties and Global Marketing Fund contributions and meet monthly minimum performance requirements.

The financial performance representations are disclosed by geographic region of The Wellness Way Clinic. The financial performance representation in this Item 19 is listed by geographic region of the corporate affiliate clinic location. For purposes of this Item 19 the geographic regions include clinics in the following states: West (Oregon and Colorado); Central (Illinois, Michigan, Minnesota, Missouri, Texas, and Wisconsin); East (Florida). The geographic location of future operational franchised outlets may differ materially from the geographic location of the affiliate-owned outlets.

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 figures to obtain your net income or profit. Differences in location and/or geographic region of your franchise location may result in significantly different costs. Differences and/or changes in laws can also cause costs to change. You may also incur costs or expenses not incurred by the company affiliate locations. You should make an independent investigation of your own costs. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business.

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

GEOGRAPHIC REGION	FIRST FULL YEAR OF OPERATIONS	2022 GROSS REVENUE WITHOUT DEDUCTION
CENTRAL	2002	\$5,046,427
CENTRAL	2016	\$2,181,503
CENTRAL	2016	\$1,104,206
EAST	2019	\$652,054
WEST	2020	\$635,607
WEST	2018	\$616,778
EAST	2020	\$388,344
CENTRAL	2021	\$386,909
CENTRAL	2021	\$230,848
CENTRAL	2022	\$203,085
CENTRAL	2018	\$160,664
EAST	2020	\$151,608
CENTRAL	2020	\$102,549

Except as disclosed in this Item 19, The Wellness Way does not make any representations about a franchisee's future financial performance or the financial performance of company-owned or franchised outlets. We also do not authorize The Wellness Way's employees or representatives to make any representations other than those included in this Item 19 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 to Nicole

Seidel, 2525 W Mason Street, Green Bay, WI 54303, nseidel@thewellnessway.com, (920-569-6882), and to the Federal Trade Commission, 600 Pennsylvania Avenue, NY, Washington, DC 20580 (1-8787-FTC-HELP) and to the appropriate state regulatory agency. See **Exhibit A** to this Disclosure Document for the names and contact information for state administrators.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary for Years 2020 - 2022				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
Company-Owned	2020	12	15	+3
	2021	15	16	+1
	2022	16	16	0
Total Outlets	2020	12	15	+3
	2021	15	16	+1
	2022	16	16	0

* This chart includes both franchised and company-owned The Wellness Way Clinics through fiscal year 2022.

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2020 - 2022		
State	Year	Number of Transfers
Wisconsin	2020	0
	2021	0
	2022	0
Total	2020	0
	2021	0
	2022	0

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2020 - 2022								
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
Wisconsin	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Total	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2019 - 2021							
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
Arizona	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	1	0	0
Colorado	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Florida	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Illinois	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
Indiana	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	1	0	0	0	1
Michigan	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
Minnesota	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
Missouri	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2019 - 2021							
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
Oregon	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Texas	2020	0	1	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Wisconsin	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	1	0	3
Total	2020	12	3	0	0	0	15
	2021	15	1	0	0	0	16
	2022	16	3	0	3	0	16

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2022*			
State	Franchise Agreements Signed But Outlets Not Yet Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	0	1
California	0	1	0
Colorado	1	1	0
Florida	2	0	1
Illinois	0	2	0
Iowa	1	0	0
Michigan	1	1	0
Minnesota	0	1	0
Missouri	3	1	0
Montana	1	0	0
New Hampshire	1	0	0
North Carolina	1	0	0
North Dakota	1	2	0
Ohio	2	0	1
Tennessee	1	0	0
Texas	0	1	0
Utah	1	0	0
Wisconsin	5	2	0
Total*	21	13	3

* As of April 3, 2023, we have 40 open The Wellness Way Clinics, with 24 of those being franchised clinics and 16 corporate affiliate locations. We anticipate opening two additional corporate affiliate locations in 2023 and 10 additional franchise locations.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with The Wellness Way. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you. No franchisees in the last three years have signed any provisions restricting their ability to speak about their experience with The Wellness Way.

Currently, we have no trademark-specific franchisee organizations associated with the franchise System being offered.

Current Franchisees and franchisees who, as of the date of this Disclosure Document, have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date are listed on **Exhibit F** to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

ITEM 21. FINANCIAL STATEMENTS

Attached as **Exhibit E** is our audited opening balance sheet as of March 9, 2022. Unaudited interim financial statements are also attached. The franchisor has not been in business for three years or more and cannot provide all financial statements required in this Item 21.

Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The Wellness Way Franchise Agreement (with exhibits) is attached to this Disclosure Document as **Exhibit C**.

The Wellness Way General Release is attached to the Franchise Agreement as **Exhibit 1**.

The Wellness Way Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as **Exhibit 2**.

The Wellness Way Unlimited Guaranty and Assumption of Obligations is attached to the Franchise Agreement as **Exhibit 3**.

Contract addenda required by certain states are attached to the Franchise Agreement as **Exhibit 5**.

The Wellness Way Pre-Opening Certification is attached to the Franchise Agreement as **Exhibit 7**.

The Wellness Way ACH Authorization Agreement is attached to the Franchise Agreement as **Exhibit 8**.

The Wellness Way Online Social Media Marketing Request form is attached to the Franchise Agreement as **Exhibit 9**.

The Wellness Way Enterprises LLC Supplier Agreement is attached to the Franchise Agreement as **Exhibit 10**.

The Wellness Way Lease Rider is attached to the Franchise Agreement as **Exhibit 11**.

We provide no other contracts or agreements for your signature.

ITEM 23. RECEIPTS

Our copy and your copy of the Disclosure Document Receipts are located on the last 2 pages of this Disclosure Document as **Exhibit I**.

[The remainder of this page is intentionally left blank.]

**EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS**

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

California

Department of Financial Protection and Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Department of Financial Protection and Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Department of Financial Protection and Innovation 1515 K. Street, Suite 200
Sacramento, California 95814
(866) 275-2677 Toll Free

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Florida

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

Hawaii

Commissioner of Securities
Department of Commerce & Consumer Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

Illinois Attorney General
500 South Second Street
Green Bay, Illinois 62706
(217) 782-4465

Indiana

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

Kentucky

Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Maine

Department of Professional and Financial Regulations
Bureau of Banking
Securities Division
121 Statehouse Station
Augusta, Maine 04333

Maryland

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

Department of the Attorney General
Consumer Protection Division, Franchise Unit
525 Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, Michigan 48909

Minnesota

Minnesota Dept of Commerce
85 7th Place East, Suite 280
Saint Paul, MN 55101

Nebraska

Nebraska Department of Banking and Finance
Commerce Court
1230 O Street, Suite 400
Lincoln, Nebraska 68509

New York

Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

Return to FDD TOC

EXHIBIT A TO THE DISCLOSURE DOCUMENT (continued)

North Carolina

Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5909

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Rhode Island

Division of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, Rhode Island 02920

South Carolina

Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Texas

Office of the Secretary of State
Statutory Document Section
1019 Brazos Street
Austin, Texas 78701

Utah

Utah Department of Commerce
Division of Consumer Protection
160 East 300 South
P.O. Box 146704
Salt Lake City, Utah 84111-6704

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin

Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

**EXHIBIT B TO THE DISCLOSURE DOCUMENT
LIST OF STATE AGENTS FOR SERVICE OF PROCESS**

We have designated Patrick M. Flynn, 2525 W. Mason Street, Green Bay, WI 54303, as our agent for service of process. In addition, the following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California

Department of Financial Protection & Innovation
One Sansome Street, Suite 600
San Francisco, California 94104

Department of Financial Protection & Innovation
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Department of Financial Protection & Innovation
1515 K St., Suite 200
Sacramento, California 95814
(866) 275-2677

Connecticut

Connecticut Banking Commissioner
Department of Banking
Securities & Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103

Hawaii

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

Illinois

Illinois Attorney General
500 South Second Street
Green Bay, Illinois 62706

Indiana

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

Maryland

Maryland Securities Commissioner
Office of Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota

Minnesota Department of Commerce
Commissioner of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101

New York

Secretary of the State of New York
41 State Street
Albany, New York 12231

North Dakota

North Dakota Securities Commissioner
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island

Director Division of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, Rhode Island 02920

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia

Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin

Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703



**THE WELLNESS WAY
FRANCHISE AGREEMENT**

EXHIBIT C TO THE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

SECTION	PAGE
1. DEFINITIONS.....	C-8
2. GRANT OF FRANCHISE; APPROVED LOCATION	C-12
2.1. GRANT	C-12
2.2. LOCATION OF FRANCHISED THE WELLNESS WAY CLINIC.	C-12
2.3. APPROVED LOCATION NOT DETERMINED.....	C-12
2.4. AREA OF PRIMARY RESPONSIBILITY	C-12
2.5. SUB-FRANCHISING/AGENTS.....	C-13
2.6. MARKETING AND SOLICITATION RESTRICTIONS	C-13
2.7. PERFORMANCE REQUIREMENTS	C-13
3. FRANCHISOR’S RIGHTS.....	C-14
3.1. RESERVATION OF RIGHTS.....	C-14
4. FEES	C-15
4.1. FRANCHISE FEE	C-15
4.2. FRANCHISE ROYALTIES	C-15
4.3. GLOBAL MARKETING FUND CONTRIBUTION	C-15
4.4. RENEWAL FEE.....	C-15
4.5. TRANSFER FEE.....	C-15
4.6. ADMINISTRATIVE REIMBURSEMENTS	C-15
4.7. TAXES.....	C-16
4.8. ELECTRONIC TRANSFER	C-16
4.9. INSUFFICIENT FUNDS / LATE FEES	C-16
4.10. APPLICATION OF PAYMENTS.....	C-16
5. TERM AND RENEWAL.....	C-17
5.1. INITIAL TERM	C-17
5.2. SUCCESSOR TERMS.....	C-17
5.3. HOLDOVER.....	C-18
6. APPROVED LOCATION	C-18
6.1. LEASE OF APPROVED LOCATION	C-18
6.2. DEVELOPMENT OF FRANCHISED CLINIC.....	C-18
6.3. OPENING	C-19
6.4. FAILURE TO OPEN.....	C-20
6.5. RELOCATION	C-21

	6.6. SECURITY INTEREST	C-21
7.	PROPRIETARY MARKS	C-21
	7.1. OWNERSHIP	C-21
	7.2. LIMITATIONS ON USE	C-21
	7.3. NOTIFICATION OF INFRINGEMENTS AND CLAIMS	C-22
	7.4. INDEMNIFICATION FOR USE OF MARKS	C-22
	7.5. DISCONTINUANCE OF USE	C-22
	7.6. RIGHT TO INSPECT	C-22
	7.7. FRANCHISOR’S SOLE RIGHT TO DOMAIN NAME	C-23
8.	TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION	C-23
	8.1. CONFIDENTIALITY OF TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION	C-23
	8.2. ELECTRONIC LOG-INS AND PASSWORDS	C-24
	8.3. ADDITIONAL DEVELOPMENTS	C-24
	8.4. EXCLUSIVE RELATIONSHIP.....	C-24
	8.5. EXECUTION OF NONDISCLOSURE AND NON-COMPETITION AGREEMENTS	C-25
	8.6. REASONABLENESS OF RESTRICTIONS	C-25
9.	TRAINING AND ASSISTANCE	C-25
	9.1. INITIAL TRAINING	C-25
	9.2. FAILURE TO COMPLETE INITIAL TRAINING PROGRAM.....	C-26
	9.3. NEW DESIGNATED MANAGING OWNER, MANAGING CHIROPRACTOR, DESIGNATED OFFICE MANAGER, OR DESIGNATED MARKETING COORDINATOR.....	C-26
	9.4. ONGOING TRAINING	C-26
10.	COMPLIANCE.....	C-27
	10.1. PROFESSIONAL JUDGMENT	C-27
	10.2. FRANCHISEE RESPONSIBILITIES	C-27
11.	CONFIDENTIAL OPERATIONS MANUAL.....	C-27
	11.1. LOAN BY FRANCHISOR	C-27
	11.2. REVISIONS	C-28
	11.3. NOT A SUBSTITUTE FOR INDEPENDENT PROFESSIONAL JUDGMENT	C-28
	11.4. CONFIDENTIALITY.....	C-28
12.	FRANCHISE SYSTEM.....	C-28
	12.1. UNIFORMITY	C-28
	12.2. MODIFICATION OF THE SYSTEM	C-29
	12.3. VARIANCE	C-29
13.	MARKETING AND PROMOTIONAL ACTIVITIES	C-29

	13.1. LOCAL MARKETING.....	C-29
	13.2. INTERNET MARKETING	C-30
	13.3. DIRECTORY MARKETING	C-30
	13.4. GLOBAL MARKETING FUND	C-30
14.	ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS	C-32
	14.1. RECORDS	C-32
	14.2. FINANCIAL STATEMENTS	C-32
	14.3. OTHER REPORTS	C-32
	14.4. COMPUTER/POINT-OF-SALE SYSTEM	C-33
	14.5. RIGHT TO INSPECT.....	C-33
	14.6. RELEASE OF RECORDS.....	C-33
15.	STANDARDS OF OPERATION	C-34
	15.1. AUTHORIZED PRODUCTS, SERVICES AND SUPPLIERS	C-34
	15.2. APPEARANCE AND CONDITION OF THE FRANCHISED THE WELLNESS WAY CLINIC	C-35
	15.3. OWNERSHIP AND MANAGEMENT	C-35
	15.4. CONTRIBUTIONS AND DONATIONS.....	C-35
	15.5. PERSONNEL	C-36
	15.6. PRIVACY AND SECURITY	C-36
	15.7. LICENSES AND PERMITS	C-36
	15.8. NOTIFICATION OF PROCEEDINGS	C-36
	15.9. COMPLIANCE WITH GOOD BUSINESS PRACTICES	C-37
	15.10. UNIFORM OR DRESS CODE	C-37
	15.11. CREDIT CARDS.....	C-37
	15.12. E-MAIL	C-37
	15.13. FULL TERM PERFORMANCE	C-37
	15.14. PRICING	C-37
16.	FRANCHISOR’S ADDITIONAL OPERATIONS ASSISTANCE	C-38
	16.1. GENERAL ADVICE AND GUIDANCE.....	C-38
	16.2. PERIODIC VISITS	C-38
17.	INSURANCE.....	C-38
	17.1. TYPES AND AMOUNTS OF COVERAGE	C-38
	17.2. FUTURE INCREASES	C-39
	17.3. CARRIER STANDARDS	C-39
	17.4. EVIDENCE OF COVERAGE.....	C-39
	17.5. FAILURE TO MAINTAIN COVERAGE	C-39

18.	DEFAULT AND TERMINATION	C-40
	18.1. TERMINATION BY FRANCHISEE	C-40
	18.2. TERMINATION BY FRANCHISOR.....	C-40
	18.3. TERMINATION AFTER OPPORTUNITY TO CURE	C-42
	18.4. REINSTATEMENT AND EXTENSION	C-43
	18.5. RIGHT OF FRANCHISOR TO DISCONTINUE SERVICES TO FRANCHISEE.....	C-43
	18.6. NON-COMPLIANCE CHARGE.	C-43
19.	RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION	C-43
	19.1. ACTIONS TO BE TAKEN	C-43
	19.2. POST-TERMINATION COVENANT NOT TO COMPETE	C-45
	19.3. UNFAIR COMPETITION.....	C-46
	19.4. FRANCHISOR’S OPTION TO PURCHASE CERTAIN BUSINESS ASSETS.....	C-47
	19.5. SURVIVAL OF CERTAIN PROVISIONS.....	C-47
	19.6. TERMINATION FEE.....	C-47
20.	TRANSFERABILITY OF INTEREST	C-47
	20.1. TRANSFER BY FRANCHISOR	C-47
	20.2. TRANSFER BY FRANCHISEE TO A THIRD PARTY	C-47
	20.3. TRANSFER TO A CONTROLLED ENTITY	C-49
	20.4. FRANCHISOR’S DISCLOSURE TO TRANSFEREE.....	C-51
	20.5. FOR-SALE MARKETING.....	C-51
	20.6. TRANSFER BY DEATH OR INCAPACITY	C-51
21.	OPTION TO BUY / RIGHT OF FIRST REFUSAL.....	C-51
	21.1. SUBMISSION OF OFFER	C-51
	21.2. FRANCHISOR’S RIGHT TO PURCHASE	C-52
	21.3. NON-EXERCISE OF RIGHT OF FIRST REFUSAL	C-52
	21.4. BUYBACK.....	C-52
22.	RELATIONSHIP OF FRANCHISOR AND FRANCHISEE.....	C-53
	22.1. BENEFICIAL OWNERS OF FRANCHISEE.....	C-53
	22.2. RELATIONSHIP	C-53
	22.3. STANDARD OF CARE	C-53
23.	INDEMNIFICATION	C-53
	23.1. RIGHT TO RETAIN COUNSEL	C-55
24.	GENERAL CONDITIONS AND PROVISIONS	C-56
	24.1. NO WAIVER.....	C-56
	24.2. INJUNCTIVE RELIEF.....	C-56

24.3.	NOTICES	C-56
24.4.	COST OF ENFORCEMENT OR DEFENSE.....	C-57
24.5.	UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS	C-57
24.6.	APPROVALS	C-57
24.7.	ENTIRE AGREEMENT	C-57
24.8.	SEVERABILITY AND MODIFICATION	C-57
24.9.	CONSTRUCTION	C-58
24.10.	FORCE MAJEURE	C-58
24.11.	TIMING.....	C-58
24.12.	WITHHOLDING PAYMENTS	C-58
24.13.	FURTHER ASSURANCES	C-59
24.14.	THIRD-PARTY BENEFICIARIES.....	C-59
24.15.	MULTIPLE ORIGINALS	C-59
25.	DISPUTE RESOLUTION	C-59
25.1.	CHOICE OF LAW	C-59
25.2.	CONSENT TO JURISDICTION	C-59
25.3.	CUMULATIVE RIGHTS AND REMEDIES.....	C-59
25.4.	LIMITATIONS OF CLAIMS	C-60
25.5.	LIMITATION OF DAMAGES	C-60
25.6.	WAIVER OF JURY TRIAL	C-60
25.7.	ARBITRATION.....	C-60
25.8.	MEDIATION CONDITION PRECEDENT	C-61
25.9.	INJUNCTIVE RELIEF.....	C-61
26.	ACKNOWLEDGMENTS	C-61
26.1.	RECEIPT OF THIS AGREEMENT AND THE FDD	C-61
26.2.	CONSULTATION BY FRANCHISEE	C-61
26.3.	TRUE AND ACCURATE INFORMATION.....	C-61
26.4.	RISK	C-62
26.5.	NO GUARANTEE OF SUCCESS.....	C-62
26.6.	NO VIOLATION OF OTHER AGREEMENTS	C-62

EXHIBITS

- EXHIBIT 1 – GENERAL RELEASE
- EXHIBIT 2 – NONDISCLOSURE AND NON-COMPETITION AGREEMENT
- EXHIBIT 3- UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS
- EXHIBIT 4 – HOLDERS OF LEGAL OR BENEFICIAL INTEREST IN FRANCHISEE
- EXHIBIT 5 - MULTI-STATE ADDENDA
- EXHIBIT 6 - DE-IDENTIFICATION

EXHIBIT 7 - PRE-OPENING CERTIFICATION
EXHIBIT 8 - ACH AUTHORIZATION AGREEMENT
EXHIBIT 9 – ONLINE/SOCIAL MEDIA MARKETING PERMISSION REQUEST
EXHIBIT 10 – WELLNESS WAY ENTERPRISES SUPPLIER AGREEMENT
EXHIBIT 11 – LEASE RIDER

**THE WELLNESS WAY
FRANCHISE AGREEMENT**

This Franchise Agreement made this _____ (“Effective Date”) is by and between The Wellness Way Franchise LLC, a Wisconsin limited liability company, having its principal place of business at 2525 W Mason Street, Green Bay, WI 54303 (“Franchisor”), and _____, partnership/corporation/limited liability company established in the State of _____, or an individual, and whose principal address is _____ (“Franchisee”).

WITNESSETH:

WHEREAS, Franchisor and its Affiliates* have developed, and are in the process of further developing, a System identified by the trade name “The Wellness Way” and relating to the establishment and operation of a business providing chiropractic and wellness services referred to as “The Wellness Way Clinic;” and

WHEREAS, in addition to the trade name “The Wellness Way” and certain other related service marks, trademarks or logos (“Marks”), the distinguishing characteristics of the System include: uniform standards and procedures for efficient business operations; procedures and strategies for marketing, advertising and promotion; customer service and development techniques; other strategies, techniques and Trade Secrets and other Confidential Information; and the Confidential Operations Manual; and

WHEREAS, Franchisor grants to qualified persons and business entities the right to own and operate The Wellness Way Clinic using the System and the Marks; and

WHEREAS, Franchisee desires to operate The Wellness Way Clinic, has applied for the Franchise and such application has been approved by Franchisor in reliance upon all of the representations made herein and therein; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high and uniform standards of quality, operations and service and the necessity of operating the Franchised The Wellness Way Clinic in strict conformity with Franchisor’s System.

NOW, THEREFORE, Franchisor and Franchisee, intending to be legally bound, agree as follows:

1. DEFINITIONS

Whenever used in this Agreement, the following words and terms have the following meanings:

“**Adverse Business**” means any business that promotes consumer lifestyle choices adverse to the healing principals of The Wellness Way, including but not limited to fast food restaurants, crop pesticide companies, and other businesses which in our reasonable business judgment are adverse to the healing principals of The Wellness Way.

“**Affiliate**” means any business entity that controls, is controlled by, or is under common control with Franchisor;

“**Agreement**” means this agreement entitled “The Wellness Way Franchise Agreement” and all instruments supplemental hereto or in amendment or confirmation hereof;

*Capitalized terms not otherwise defined are defined in Section 1.

“Approved Location” means the site for the operation of the Franchised The Wellness Way Clinic selected by Franchisee and approved in writing by Franchisor;

“Approved Non-Royalty Direct Marketing Products” means those products specified from time to time as published in the Operations Manual which Franchisee may be approved to sell, but whose sales are excluded from the definition of Gross Revenues for the purposes of Royalty and Global Marketing Fund calculations, provided that such sales are not processed through the TWW System Technology;

“Approved Supplier(s)” has the meaning given to such term in Section 15.1;

“Area of Primary Responsibility” shall have the meaning set forth in Section 2.4, which shall be subject to the Franchisor’s Rights set forth in Section 3;

“Competitive Business” means any business that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) wellness consulting, testing, and/or supplementation services and/or products the same as or similar to those provided by The Wellness Way, its affiliates, and its franchisees, or in which Trade Secrets or other Confidential Information could be used to the disadvantage of Franchisor, any Affiliate or its other franchisees; provided, however, that the term “Competitive Business” shall not apply to (a) any business operated by Franchisee under a Franchise Agreement with Franchisor, or (b) any business operated by a publicly-held entity in which Franchisee owns less than a five percent (5%) legal or beneficial interest;

“Confidential Information” means technical and non-technical information used in or related to Wellness Way Clinics and not commonly known by or available to the public, including, without limitation, Operations Manuals, The Wellness Way University, Training Programs, TWW System Software, Procedures of Operations, Vendors and Suppliers, knowledge of sources of products sold, knowledge of sales and profit performance of one or more The Wellness Way Clinics, methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of chiropractic and wellness businesses, any log-in or password information used to access other Confidential Information or the franchise systems, software, and sites, Trade Secrets, and any other information identified or labeled as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Franchisee; (b) Franchisee demonstrates was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement or any other agreement with Franchisor or its affiliates; (c) Franchisee demonstrates is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

“Confidential Operations Manual” means the Wellness Way Confidential Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by Franchisor from time to time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers’ manuals and all books, computer programs, videos, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, Franchisor;

“Designated Managing Owner” means the individual designated by Franchisee as having authority to make decisions on behalf of your Franchised The Wellness Way Clinic and on whom We can rely regarding any such decisions or with respect to any issues arising from your ownership or operations of your Franchised The Wellness Way Clinic. If Franchisee is a legal business entity, (such as a corporation, limited liability company or partnership), Franchisor may, in its sole discretion, require that the Designated Managing Owner hold a legal and equitable interest, or a beneficial interest of at least fifteen percent (15%)

in Franchisee, and Franchisor may, in its discretion, require the Designated Managing Chiropractor and Designated Managing Owner to be the same person. If Franchisee is an individual and a licensed chiropractor and not a business entity, the Designated Managing Owner is Franchisee. The Designated Managing Owner must complete our initial training program before opening.

“Designated Managing Chiropractor” means the licensed chiropractic professional designated by Franchisee as having authority to supervise the chiropractic staff and all licensed professionals providing chiropractic and/or wellness services to patients. Franchisor may, in its discretion, require the Designated Managing Chiropractor and Designated Managing Owner to be the same person. If Franchisee is an individual and a licensed chiropractor and not a business entity, the Designated Managing Chiropractor is Franchisee. The Designated Managing Chiropractor must complete our initial training program before opening and regularly spend 25 or more hours per week in the Franchised The Wellness Way Clinic.

“Designated Managing Office Manager” means the individual who manages the administrative, non-clinical aspects of your Franchised The Wellness Way Clinic and has authority to hire, train, and supervise the non-professional staff of your Franchised The Wellness Way Clinic. The Designated Office Manager must complete our initial training program before opening or within six months after opening and must regularly spend 25 or more hours per week in the Franchised The Wellness Way Clinic.

“Designated Marketing Coordinator” means the individual who is responsible for your local marketing, including without limitation online marketing and social media. The position of Designated Marketing Coordinator may be held by the Designated Managing Owner, the Designated Managing Chiropractor, the Designated Office Manager, or a separate employee. The Designated Marketing Coordinator must complete our initial training program before opening or within six months after opening.

“Effective Date” means the date on which Franchisor and Franchisee fully execute this Agreement, thereby commencing its effectiveness and term;

“Electronic Depository Transfer Account” means an account established at a national banking institution approved by Franchisor and providing Franchisor with access to electronically withdraw any funds due Franchisor;

“Franchise” means the right granted to Franchisee by Franchisor to use the System and the Marks;

“Franchise Fee” has the meaning given to such term in Section 4.1;

“Franchise Royalty” has the meaning given to such term in Section 4.2;

“Franchised The Wellness Way Clinic” means the chiropractic and wellness clinic to be established and operated by Franchisee pursuant to this Agreement;

“Franchisee” means the individual or entity defined as “Franchisee” in the introductory paragraph of this Agreement;

“Franchisor” means The Wellness Way Franchise LLC

“GAAP” means the generally accepted accounting principles, standards, conventions and rules accountants follow in recording and summarizing transactions and in the preparation of financial statements;

“Gross Revenue” means the aggregate of all revenue and receipts from sales conducted at, from, or through The Franchised Wellness Way Clinic (whether or not in compliance with this Agreement),

(including but not limited to chiropractic services, wellness services, other services, testing, gift cards, products and supplements), whether in cash, by check, credit card, debit card, digital currency, barter, exchange, other credit transactions, or otherwise, but excluding (1) applicable sales taxes collected and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds, credits, and discounts granted to customers in good faith. Gross Revenue includes gift certificates, gift cards, and similar program payments at the time the gift card or other instrument is purchased. Gross Revenue also includes all insurance proceeds you receive for the loss of business due to a casualty or similar event. Gross Revenue excludes the resale of products and/or commissions on Approved Non-Royalty Direct Marketing Products, as set forth in the Operations Manual, provided that those products are not sold or processed through the System Technology and point of sale system.

“Incapacity” means the inability of Franchisee, or any holder of a legal or beneficial interest in Franchisee, to operate or oversee the operation of the Franchised The Wellness Way Clinic on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

“Internet” means any one (1) or more local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web;

“Local Marketing” has the meaning given to such term in Section 13.1;

“Marks” means the service mark and trademark “The Wellness Way” and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as Franchisor may designate to be used in connection with Franchised The Wellness Way Clinic;

“Minimum Performance Requirement” means the minimum monthly gross revenues your Franchised The Wellness Way Clinic must achieve as set forth in Section 2.7;

“Global Marketing Fund” has the meaning set forth in Section 13.4;

“System” means the uniform standards, methods, procedures and specifications developed by Franchisor, and as may be added to, changed, modified, withdrawn or otherwise revised by Franchisor for the operation of The Wellness Way Clinics; and

“Trade Secrets” means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential suppliers) related to or used in Wellness Way Clinics that is not commonly known by or available to the public and that: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

“TWW System Technology” means as the software and other technology currently used in the System and such other software and technology which may be later developed, including but not limited to: (a) website development and hosting, (b) establishing a System-wide intranet or other type of website portal for the System (a “Website Portal”) of any kind, (c) proprietary or customized software licensed by Franchisor or its affiliates to assist with the day-to-day operations of the chiropractic and wellness Business, and/or (d) any other technology that Franchisor determines appropriate, in its discretion, for use in connection with your franchised business.

2. GRANT OF FRANCHISE; APPROVED LOCATION

2.1. Grant.

Franchisor hereby grants to Franchisee, and Franchisee undertakes and accepts, upon the terms and conditions herein contained, a revocable, limited license to operate one (1) The Wellness Way Clinic using the System and Marks.

2.2. Location of Franchised The Wellness Way Clinic.

The street address (or detailed description of the premises) of the location for the Franchised Clinic is:

_____ (the “Approved Location”).

The Franchised The Wellness Way Clinic must be located at a location approved by Franchisor.

2.3. Approved Location Not Determined

If the Approved Location is determined as of the Effective Date, then this Section shall be inapplicable. If the Approved Location of the Franchised The Wellness Way Clinic is not determined as of the Effective Date, then the geographic area in which the Franchised The Wellness Way Clinic is to be located shall be within the geographic area described below (“Designated Area”). Franchisee shall select and submit possible sites for Franchisor’s evaluation in accordance with Section 6. When the Approved Location is determined, its address shall be inserted into Section 2.2, which shall be initialed and dated by Franchisee and Franchisor and the Designated Area shall lapse. The failure to insert such address into Section 2.2 shall not affect the enforceability of this Agreement. The Designated Area is delineated for the sole purpose of site selection and does not confer any territorial exclusivity or protection. A detailed description of the geographic area or boundaries of the Designated Area is:

2.4. Area of Primary Responsibility

Franchisee will be granted a protected territory called the “Area of Primary Responsibility” to be mutually agreed upon by Franchisor and Franchisee and depicted in the map attached. The Area of Primary Responsibility will typically be a 3 or more mile radius from the Approved Location. Franchisee will operate the Franchised The Wellness Way Clinic from the Approved Location within the designated Area of Primary Responsibility and shall limit all direct marketing, advertising and business activities within such area, as stated in Section 2.6. As long as this Agreement is in full force and effect and Franchisee is not in default under any of the terms hereof, Franchisor shall not limit or alter the boundaries of Franchisee’s Area of Primary Responsibility and will not establish or grant others the right to establish The Wellness Way Clinic within Franchisee’s Area of Primary Responsibility. Franchisee’s rights in the Area of Primary Responsibility are subject to Franchisor’s rights articulated in Section 3.

- a. The Area of Primary Responsibility shall be defined by and exist within the following zip codes or other physical, political or natural boundaries:

- b. The map of the Area of Primary Responsibility will be attached hereto.

2.5. Sub-franchising/Agents

Franchisee shall not sublicense the use of the System or Marks to any person or entity. Franchisee shall not grant any person or entity the right to perform any part of Franchisee’s rights or obligations licensed hereunder.

2.6. Marketing and Solicitation Restrictions

You agree to limit targeted or direct solicitation and marketing to persons in your Territory unless such person (regardless of where they live) has voluntarily signed up to receive communications with you or you have obtained our written permission. You are permitted to use public media with a broad reach, such as newspaper, radio, television and other electronic means of general solicitation to attract patients. If Franchisee desires to conduct targeted or direct marketing outside of Franchisee’s Area of Primary Responsibility and the area of desired marketing both (a) neighbors Franchisee’s Area of Primary Responsibility and (b) is not the Area of Primary Responsibility of any other Franchisee, Franchisee may submit a written request to Franchisor for approval of the proposed out of territory marketing. Franchisor reserves the right to approve or deny any request for marketing approval outside of the Area of Responsibility in its sole and absolute discretion. Any approval granted may be granted on a non-exclusive basis and may be revoked at any time with Franchisor’s notice to Franchisee. Franchisee may market to any existing patient or customer, wherever located, but must provide its services only from its Approved Location, located inside the Area of Primary Responsibility. Franchisor shall make reasonable efforts to enforce these restrictions with regard to Franchisee and any other The Wellness Way Clinics, but under no circumstances shall Franchisor be required to engage in litigation or similar actions with regard to these restrictions.

2.7. Minimum Performance Requirements

To maintain your rights to the Area of Primary Responsibility, you are required to meet minimum performance requirements, with generally increasing gross revenues, the more experience you have as a franchise. There are no minimum performance requirements during the first year following the opening of your Franchised The Wellness Way Clinic. Your performance requirements thereafter are set forth as monthly gross revenue requirements per year, measured from the first full month following your opening. In the event Franchisee fails to meet the Minimum Performance Requirements for a particular month, the monthly gross revenue for all months in the same calendar year will be averaged. If the average for the calendar year exceeds the Performance Requirements, Franchisee will not be deemed to be in default of this section. The chart below sets forth the monthly performance requirements for each calendar year:

CALENDAR YEAR	GROSS MONTHLY REVENUE
First Year	No Minimum Requirement
Second Year	\$20,000 per month
Third Year	\$35,000 per month

Fourth Year and thereafter	\$50,000 per month
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If this Agreement is renewed following the initial term of seven (7) years, the Franchisee agrees that the 4th year and thereafter requirements will apply to each year of any successor term. Franchisee agrees that Franchisee's failure to receive the Minimum Required Gross Revenue constitutes a material default in this Agreement and entitles The Wellness Way to terminate this Agreement. Provided, however, Franchisor will not terminate the Franchise Agreement based solely on Franchisee's failure to achieve Minimum Required Gross Revenue without Franchisor first providing Franchisee with notice and an opportunity to cure of not less than 3 months.

The Wellness Way does not represent or warrant that any Franchisee will achieve any specific level of Gross Revenues or that any Franchisee will make any profit. The Minimum Required Gross Revenues set forth above do not constitute a representation that you will achieve these results. Instead, these Minimum Required Gross Revenues reflect what The Wellness Way requires for this Agreement to remain in effect.

3. FRANCHISOR'S RIGHTS

3.1. Reservation of Rights

Franchisee acknowledges that Franchisor expressly retains all rights and discretion with respect to the Marks and System, including the right to:

- a. establish, own or operate, and license others to establish, own or operate, The Wellness Way Clinic in any area outside Franchisee's Area of Primary Responsibility as Franchisor deems appropriate;
- b. establish, own or operate, and license others to establish, own or operate other businesses under other systems using other trademarks at any location we deem appropriate;
- c. purchase or otherwise acquire the assets or controlling ownership of one (1) or more businesses identical or similar to The Wellness Way Clinic (and/or acquire franchise, license and/or similar agreements for such businesses), some or all of which may be located anywhere. If Franchisor purchases or acquires franchises or licenses, Franchisor may, in its sole discretion, act as franchisor or licensor with respect to such franchisees or licensees wherever located, pursuant to the individual franchise or license agreement(s) between Franchisor and franchisee(s) or licensee(s). If Franchisor purchases or acquires such businesses which are not franchised or licensed, Franchisor may, in its sole discretion:
 - i. offer to sell any such businesses to Franchisee or to any third party to be operated as The Wellness Way Clinic; or
 - ii. offer Franchisee the opportunity to operate such business(s) in partnership with Franchisor (or an Affiliate) under the business(s) existing trade name or a different trade name.
- d. be acquired (regardless of the form of transaction) by any business, even if the other business operates, franchises and/or licenses Competitive Businesses;

- e. provide the services and sell the products authorized for The Wellness Way Clinic using the Marks or other trademarks, service marks and commercial symbols through an alternate channel of distribution on such terms and conditions as Franchisor deems appropriate; and
- f. engage in any activities not expressly forbidden by this Agreement.

4. FEES

4.1. Franchise Fee

Upon execution of this Agreement, Franchisee shall pay an initial franchise fee (“Franchise Fee”) to Franchisor of Fifteen Thousand Dollars (\$15,000.00). The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable. The Franchise Fee is payment, in part, for expenses incurred by Franchisor in furnishing assistance and services to Franchisee as set forth in this Agreement and for costs incurred by Franchisor, including general sales and marketing expenses, training, legal, accounting and other professional fees.

4.2. Franchise Royalties

Franchisee shall remit to Franchisor a Franchise Royalty in the amount of the greater of (i) five (5%) of the monthly Gross Revenues or (ii) five percent (5%) of the Minimum Performance Requirement as set forth in Section 2.7. For so long as this Agreement shall be in effect, Franchisee shall pay the Franchise Royalty to Franchisor, without offset, credit or deduction of any nature. Franchisor reserves the right to change the time and manner of payment and currently requires Franchisee to pay Franchise Royalties through electronic transfer on a monthly basis. Franchisee specifically acknowledges that Franchisee does not expect to receive patient referrals from Franchisor and that no part of the Franchise Royalty is contingent upon or related in any way to Franchisee’s patients.

4.3. Global Marketing Fund Contribution

Franchisee shall remit to Franchisor a Global Marketing Fund Contribution in the amount of the one percent (1%) of the monthly Gross Revenues. Franchisee’s Global Marketing Fund Contribution shall be payable together with and in the same manner as Franchise Royalties.

4.4. Renewal Fee

If Franchisee has elected to enter into a successor franchise term, Franchisee must pay the renewal fee of \$2,500.

4.5. Transfer Fee

If Franchisee desires to transfer this franchise and Franchisor has not exercised its right of first refusal, Franchisee shall remit a transfer fee in the amount of \$7,000.

4.6. Administrative Reimbursements

Franchisee shall reimburse Franchisor for the actual costs Franchisor incurs in administering, funding, and processing Franchisee’s inventory orders as follows: any wire transfer fees, the actual costs of shipping.

4.7. Taxes

Franchisee shall pay to Franchisor an amount equal to all sales taxes, excise taxes, use taxes, withholding taxes, and similar taxes imposed on the fees payable by Franchisee to Franchisor hereunder or on goods or services furnished to Franchisee by Franchisor at the same time as Franchisee remits such fees to Franchisor, whether such goods or services are furnished by sale, lease or otherwise, unless the tax is an income tax assessed on Franchisor for doing business in the state where the Franchised The Wellness Way Clinic is located.

4.8. Electronic Transfer

All fees and other amounts due to Franchisor shall be paid on the due dates and via the method which Franchisor shall specify from time to time. Franchisor may require all Fees and other amounts due to Franchisor to be paid through an Automatic Clearing House, Electronic Transfer, Electronic Depository Transfer Account or such other method Franchisor may specify. At Franchisor's request, Franchisee shall open and maintain an Electronic Depository Transfer Account, and shall provide Franchisor with continuous access to such account for the purpose of receiving any payments due to Franchisor. Every month, Franchisee shall make deposits to the account sufficient to cover amounts owed to Franchisor prior to the date such amounts are due. Franchisee shall execute any documents Franchisor's or Franchisee's bank requires to establish and implement the Electronic Depository Transfer Account. Once established, Franchisee shall not close the Electronic Depository Transfer Account without Franchisor's written consent. As of the date of this Agreement, all franchisees are required to execute the ACH Authorization agreement attached hereto as **Exhibit 8**.

4.9. Insufficient Funds / Late Fees

In the event any payment processed by Franchisor is returned or an ACH withdrawal is not processed due to insufficient funds, Franchisee shall pay to Franchisor an insufficient funds charge in the amount of \$50 per such transaction or such greater amount as may be charged to Franchisor by its financial institution. All amounts due that are not received by Franchisor within five (5) days after the due date shall incur late fees at the rate of one and one-half percent (1.5%) per month (or the highest rate allowed by the law of the state where Franchisee is located) from the date payment is due to the date payment is received by Franchisor. Franchisee shall pay Franchisor for all costs incurred by Franchisor in the collection of any Fees or any other amounts due Franchisor, including reasonable accounting and legal fees. This Section shall not constitute an agreement by Franchisor to accept any payments after the due date or a commitment by Franchisor to extend credit to or otherwise finance Franchisee.

4.10. Application of Payments

Notwithstanding any designation by Franchisee, Franchisor shall have the right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Fees, purchases from Franchisor or any other amount owed to Franchisor in any proportion or priority. Franchisee agrees to pay all Franchise Payments promptly when due. Payments must be made in the manner specified by The Wellness Way from time to time, which may include, without limitation, advance ACH authorization. As of the date of this Agreement, all franchisees are required to execute the ACH Authorization agreement attached hereto as **Exhibit 8**.

5. TERM AND RENEWAL

5.1. Initial Term

This Agreement shall be effective and binding for an initial term of seven (7) years from the Effective Date, unless sooner terminated pursuant to Section 18.

5.2. Successor Terms

Subject to the conditions below, so long as Franchisor is continuing to offer franchises, Franchisee has the right to obtain a successor franchise at the expiration of the term of this Agreement by entering into a new franchise agreement with Franchisor. To qualify for a successor franchise, each of the following conditions shall have been fulfilled and remain true as of the last day of the term of this Agreement:

- a. Franchisee has, during the entire term of this Agreement, fully complied with all material provisions of this Agreement;
- b. Franchisee has, at its expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that the Franchised The Wellness Way Clinic reflects Franchisor's then-current standards and specifications;
- c. Franchisee has paid the renewal fee of \$2,500 or Franchisor has waived the renewal fee in accordance with this Agreement;
- d. Franchisee has satisfied all monetary obligations owed by Franchisee to Franchisor (and/or any Affiliate) and has timely met these obligations throughout the term of this Agreement;
- e. Franchisee (and its Owners) are not in default of any provision of this Agreement or any other agreement between Franchisee and Franchisor (or its Owners) or between Franchisee (or its Owners) and an Affiliate of Franchisor;
- f. Franchisee has given written notice of its intent to operate a successor franchise to Franchisor not less than six (6) months nor more than twelve (12) months prior to the end of the term of this Agreement;
- g. Franchisee has executed Franchisor's then-current form of franchise agreement (or, at Franchisor's election, has executed other documents that modify this Agreement to reflect the fact that the Franchise Agreement relates to the grant of a successor franchise), which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Franchise Royalty Fees; provided, however, that Franchisee shall not be required to pay the then-current Franchise Fee;
- h. Franchisee has complied with Franchisor's then-current qualifications for a new franchisee and has agreed to comply with any then-current training and certification/licensing requirements; and;

- i. Franchisee has executed a general release, in a form the same as or similar to the General Release attached as **Exhibit 1**, of any and all claims against Franchisor, any Affiliate or their respective officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), except to the extent prohibited by the laws of the state where the Franchised The Wellness Way Clinic is located.

5.3. HoldOver.

In the event the term of this Agreement expires and the Parties have not entered into a written franchise renewal agreement, but the franchisee continues to operate the franchised business with the written consent of The Wellness Way, the franchise agreement shall be deemed to be extended on a month to month basis, and all terms of this franchise agreement shall continue to apply. The parties further agree that in the event Franchisee has continued to operate the franchised consignment sales business without the written consent of The Wellness Way, The Wellness Way shall be entitled to enforce all rights and remedies set forth in this Agreement, regardless of the expiration date. Nothing in this paragraph shall be construed to require The Wellness Way to consent to a holdover or month to month continuation of this Agreement. In the event Franchisee does not enter into a written renewal franchise agreement upon the expiration of this Agreement, The Wellness Way shall, in its sole discretion, be entitled to exercise any and all legal and contractual remedies available to it. The Wellness Way's receipt of royalties or other fees or provision of services to franchisee during a holdover period shall not be deemed a waiver or any rights or remedies of The Wellness Way.

6. APPROVED LOCATION

6.1. Lease of Approved Location

Franchisee is required to purchase or lease a commercial location, which location must be approved by Franchisor. Franchisee shall execute a lease for, or a binding agreement to purchase, an Approved Location, the terms of which must have been previously approved by Franchisor in writing and must include execution of the Lease Rider attached hereto as **Exhibit 11**. Franchisor shall not unreasonably withhold its approval. Franchisor's review of a lease or purchase agreement, or any advice or recommendation offered by Franchisor, shall not constitute a representation or guarantee that Franchisee will succeed at the Approved Location nor constitute an expression of Franchisor's opinion regarding the terms of such lease or purchase agreement. Franchisee acknowledges and agrees that Franchisee shall solely rely on its review of any such lease. Franchisor shall be entitled to require that nothing contained in the Lease is contradictory to, or likely to interfere with, Franchisor's rights or Franchisee's duties under this Agreement. Franchisee shall take all actions necessary to maintain title to the lease of the Approved Location, as the case may be, while this Agreement is in effect. Any default that may cause Franchisee to lose its title to the Approved Location, or for which the lease may be terminated, as the case may be, shall also be deemed a default hereunder and the time to cure the same shall expire when such title is lost, or the lease is terminated, as the case may be. Franchisor has the right to require that the lease for the Approved Location be collaterally assigned by Franchisee to Franchisor, pursuant to the terms of its standard collateral assignment of lease form, to secure performance by Franchisee of its obligation under this Agreement. Franchisor's approval of a lease shall be conditioned upon inclusion of terms in the lease acceptable to Franchisor, and, at Franchisor's option, the lease shall contain such provisions as Franchisor may reasonably require, including those set forth in the Lease Rider attached hereto as **Exhibit 11**.

6.2. Development of Franchised Clinic

In connection with the development of the Franchised Clinic, Franchisee shall:

- a. Choose the location for the Clinic, obtain our approval of the location, and secure a lease with terms acceptable to us (or purchase the location);
- b. obtain all permits and licenses required for operation of the Franchised Business and certify in writing that all such permits and certifications have been obtained;
- c. make any necessary renovations or improvements for the Franchised The Wellness Way Clinic in accordance with our plans and specifications;
- d. purchase and install all office equipment and supplies, furniture and fixtures, including any software and computer equipment, required for the operation of the Franchised The Wellness Way Clinic pursuant to the specifications provided by Franchisor and from Approved Suppliers; and
- e. establish broadband or high-speed Internet access and obtain at least one (1) telephone number solely dedicated to the Franchised The Wellness Way Clinic

6.3. Opening

Before opening the Franchised The Wellness Way Clinic and commencing business, Franchisee must:

- a. fulfill all of the obligations of Franchisee pursuant to the other provisions of this Section 6;
- b. furnish Franchisor with copies of all insurance policies required by this Agreement, or by the lease, or such other evidence of insurance coverage and payment of premiums as Franchisor may request;
- c. furnish Franchisor with credentialing evidence that all chiropractors are properly licensed;
- d. obtain Franchisor's approval of fictitious name or d/b/a and properly register it;
- e. designate a Managing Owner, Managing Chiropractor, Office Manager, and Marketing Coordinator (With our approval, an individual may hold multiple of these four designated positions, but you must: (i) designate to us the person or persons who will hold the positions; (ii) obtain our approval for an individual to hold multiple designated positions; and (iii) ensure that the designated individual completes all required training for all of the approved designated positions);
- f. ensure Designated Managing Owner and Designated Managing Chiropractor complete initial training to the satisfaction of Franchisor;
- g. ensure Designated Office Manager and Designated Marketing Coordinator complete initial training to the satisfaction of Franchisor or commit to complete training within six (6) months after opening;
- h. have the sample patient disclosures and forms conformed to the requirements of each State in which Franchisee will practice;

- i. possess all required state, county, city and local professional licenses and certifications for all chiropractors providing services through your Franchised The Wellness Way Clinic and for the Clinic itself;
- j. obtain all necessary state, county, city and local permits and licenses;
- k. if necessary, hire and train the personnel necessary for the operation of the Franchised The Wellness Way Clinic;
- l. if Franchisee is a business entity, ensure that the business entity is formed in compliance with applicable State licensing and corporate practice of medicine laws;
- m. if Franchisee is a business entity, cause each of its stock certificates or other ownership interest certificates to be conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that such ownership interest is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement;
- n. obtain Franchisor's written permission and approval of an opening date; provided that Franchisor shall not unreasonably withhold consent to open (permission to open being based on Franchisor's determination that Franchisee is ready to open and satisfactorily prepared to operate);
- o. pay in full all amounts due to Franchisor and its Affiliates;
- p. obtain counseling from advisors Franchisee has independently selected regarding health care laws and labor and employment laws applicable to the Franchised The Wellness Way Clinic;
- q. complete the Pre-Opening Certification attached hereto as **Exhibit 7**;
- r. enter into the Supplier Agreement with Wellness Way Enterprises LLC attached hereto as **Exhibit 10**;
- s. Franchisee shall comply with these conditions and be prepared to open and continuously operate the Franchised The Wellness Way Clinic within one hundred eighty (180) days after the Effective Date. Time is of the essence.

6.4. Failure to Open

Should Franchisee fail to commence operations of the Franchised The Wellness Way Clinic within one hundred eighty (180) days after the Effective Date without obtaining a written agreement from Franchisor to an extension, Franchisor has the right to terminate this Agreement. If Franchisee, despite diligent efforts and for good cause shown, cannot open within one hundred eighty (180) days after the Effective Date, Franchisee may apply to Franchisor for an extension of time to open. Franchisor reserves the right to grant or deny requests for extension in its reasonable business judgment. If this Agreement is terminated pursuant to this Section 6.4, Franchisor shall retain the entire Franchise Fee paid by Franchisee. The Franchise Fee retained shall be specifically understood and agreed by the parties to be in consideration of the services provided, time expended, and work performed by Franchisor, and other efforts of Franchisor up to the date of Franchisee's failure to timely commence operations of the Franchised The Wellness Way Clinic and shall not be construed as nor considered to be a penalty.

6.5. Relocation

Franchisee shall not relocate the Franchised The Wellness Way Clinic without the prior written consent of Franchisor which consent shall not be unreasonably withheld. Any such relocation shall be at Franchisee's sole expense, and shall proceed in accordance with the requirements set forth in this Agreement. Franchisor has the right to charge Franchisee for any costs incurred by Franchisor in providing assistance to Franchisee related to such relocation, including, but not limited to, legal and accounting fees. Notwithstanding the foregoing, Franchisor has no obligation to provide relocation assistance.

6.6. Security Interest

As security for the performance of your obligations under this Agreement, including payments owed to us or our affiliates, you shall grant us a security interest in all of the assets of the Franchised The Wellness Way Clinic, including without limitation, the leasehold or fee simple interest in the Approved Location, all furniture, fixtures, equipment, inventory, accounts, supplies, contracts, and proceeds and products of all those assets. You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. 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/or state that we deem appropriate to protect our interests.

7. PROPRIETARY MARKS

7.1. Ownership

Franchisee's right to use the Marks is derived solely from this Agreement, is nonexclusive and is limited to the conduct of business by Franchisee pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by Franchisor. Any unauthorized use of the Marks by Franchisee is a breach of this Agreement and an infringement of the rights of Franchisor in and to the Marks. Any goodwill created by Franchisee's use of the Marks shall inure to the benefit of Franchisor. Franchisee shall not at any time acquire an ownership interest in the Marks, by virtue of any use it may make of the Marks or otherwise. This Agreement does not confer any goodwill, title or interest in the Marks to Franchisee. Franchisee shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person or entity in contesting the validity or ownership of any of the Marks.

7.2. Limitations on Use

Franchisee shall not use any Mark or portion of any Mark as part of any business entity name. Franchisee shall not use any Mark in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized in writing by Franchisor. Franchisee shall give such notices of trademark and service mark registrations as Franchisor specifies and obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Franchised The Wellness Way Clinic. Franchisee shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any Mark. Franchisee shall include on its letterhead, forms, cards, E-mails and other such identification, and shall display at the Clinic and on Franchisee's Business Cards, Letterhead, Contracts and Emails, a prominent notice stating that the Franchised The Wellness Way

Clinic is an “Independently Owned and Operated Wellness Way Franchise” of Franchisee.

7.3. Notification of Infringements and Claims

Franchisee shall immediately notify Franchisor of any infringement of the Marks, challenge to its use of any of the Marks or claim by any person of any rights in any of the Marks. Franchisee shall not communicate with any person other than Franchisor and Franchisor’s counsel in connection with any such infringement, challenge or claim; provided, however, Franchisee may communicate with Franchisee’s counsel at Franchisee’s expense. Franchisor has the right to take such action as it deems appropriate and the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge, or claim or other action or matter relating to any of the Marks. Franchisee shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of Franchisor, be necessary or advisable to protect and maintain Franchisor’s interests in any such litigation or other proceeding or to otherwise protect and maintain Franchisor’s interest in the Marks.

7.4. Indemnification for Use of Marks

Franchisor shall reimburse Franchisee for all expenses reasonably incurred by Franchisee in any trademark or similar proceeding disputing Franchisee’s authorized use of any Mark, provided that Franchisee has complied with the provisions of Section 7.3 and has complied with this Agreement and Franchisor’s directions in responding to such proceeding. At Franchisor’s option, Franchisor or its designee may defend and control the defense of any proceeding arising from Franchisee’s use of any Mark. This indemnification shall not include the expense to Franchisee of removing signage or discontinuance of the use of the Marks. This indemnification shall not apply to litigation between Franchisor and Franchisee wherein Franchisee’s use of the Marks is disputed or challenged by Franchisor. This indemnification shall not apply to any separate legal fees or costs incurred by Franchisee in seeking independent counsel separate from the counsel representing Franchisor and Franchisee in the event of litigation disputing Franchisor and Franchisee’s use of the Marks.

7.5. Discontinuance of Use

If Franchisor deems it necessary for Franchisee to modify or discontinue use of any of the Marks, and/or use one (1) or more additional or substitute trade names, trademarks, service marks or other commercial symbols, Franchisee shall comply with Franchisor’s directions within ten (10) business days after notice to Franchisee by Franchisor. Franchisor shall not be required to reimburse Franchisee for its expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by Franchisee to promote a modified or substitute Mark.

7.6. Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that Franchisee is properly employing the Marks in the operation of the Franchised The Wellness Way Clinic, Franchisor and its designees have the right to enter and inspect the Franchised The Wellness Way Clinic at all reasonable times, with or without notice, and, additionally, have the right to observe the manner in which Franchisee renders services, conducts activities and operations, and to inspect facilities, equipment, products, inventory, supplies, reports, forms and documents and related data to ensure that Franchisee is operating the Franchised The Wellness Way Clinic in accordance with the quality control provisions and performance standards established by Franchisor. Franchisor and its agents shall have the right, at any reasonable time, to remove sufficient quantities of products, supplies or other

items to test whether such products or items meet Franchisor's then-current standards. Franchisor or its designee has the right to observe Franchisee and its employees during the operation of the Franchised The Wellness Way Clinic and to interview and survey (whether in person or by mail) customers and employees and to photograph or videotape the operations. Nothing herein shall give Franchisor any rights of control over the employees of Franchisee.

7.7. Franchisor's Sole Right to Domain Name

Franchisor is the sole owner of all right, title and interest in and to www.thewellnessway.com and such other domain names as Franchisor shall designate in the Confidential Operations Manual. Franchisee shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing the Marks or the words "The Wellness Way," "Wellness Way," or any variation thereof without Franchisor's written approval. This restriction applies to social media sites, including but not limited to, Facebook, Instagram, Twitter, Foursquare, etc. Franchisee may apply to Franchisor for approval of a social media site using the form attached to the Franchise Agreement as **Exhibit 9**. In the event we authorize you to use the Marks in an online or social media forum, you agree that we will own all rights to such sites and will have administrative access to such forum and agree to provide us with all access, login and password information for such online and/or social media forums. As set forth in **Exhibit 9**, Franchisor's approval of Franchisee's use of a social media platform contemplates Franchisee administering/posting on the platform in accordance with our System Standards with the Franchisor only exercising its rights when Franchisor deems necessary. Franchisor has no obligation to grant approval of any request and may revoke any approval previously granted at its discretion. Franchisee agrees that its use of the Marks in any approved online forum or social media site will be in accordance with Franchisor's System Standards.

8. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

8.1. Confidentiality of Trade Secrets and Other Confidential Information

Franchisee acknowledges that Franchisor shall disclose Trade Secrets and other Confidential Information to Franchisee during the training program, through the Confidential Operations Manual, and as a result of guidance furnished to Franchisee during the term of this Agreement. Franchisee shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use them and in the development and operation of the Franchised The Wellness Way Clinic and in performing its duties under this Agreement. Franchisee acknowledges that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute a breach of Franchisee's obligations under this Agreement and an unfair method of competition. Franchisee acknowledges that the Trade Secrets and other Confidential Information are proprietary and are disclosed to Franchisee solely on the condition that Franchisee (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed electronically or in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information.

8.2. Electronic Log-Ins and Passwords

Each and every individual who will access Franchisor's Confidential Information and/or any site, program or system hosted, provided or maintained by or for Franchisor must have an individual log-in and password issued for such person to access such Confidential Information, site, program or system. No log-in or password may be issued or provided unless and until the Nondisclosure and Non-Competition Agreement attached hereto has been executed by such individual and provided to Us. It shall be a material default of this Agreement for Franchisee or any individual to whom Franchisee has provided access to Franchisor's Confidential Information and/or any site, program or system hosted, provided or maintained by or for Franchisor to provide access in violation of this provision or to share any log-in or password access to such Confidential Information, site, program or system. Franchisee shall enforce this Section as to its employees, agents and representatives and shall be liable to Franchisor for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

8.3. Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for Franchisee or its owners or employees, shall be promptly disclosed to Franchisor and shall be deemed the sole and exclusive property of Franchisor and works made-for-hire for Franchisor, and no compensation shall be due to Franchisee or its owners or employees with respect thereto, and Franchisee hereby agrees to assign to Franchisor all right, title and interest in any intellectual property so developed. Franchisor has the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire" for Franchisor, Franchisee shall assign, and by this Agreement, does assign, ownership of that item, and all related rights to that item, to Franchisor and shall sign any assignment or other document as Franchisor requests to assist Franchisor in obtaining or preserving intellectual property rights in the item. Franchisor shall disclose to Franchisee concepts and developments of other franchisees that are made part of the System. As Franchisor may reasonably request, Franchisee shall take all actions to assist Franchisor's efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by Franchisee or not.

8.4. Exclusive Relationship

Franchisee acknowledges that Franchisor would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among The Wellness Way franchisees if owners of The Wellness Way Clinics and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business or Adverse Business. Franchisee further acknowledges that the goals of The Wellness Way Franchise System and other franchisees will be hindered by and The Wellness Way brand will be damaged by Franchisee (and/or its owners) ownership and/or participation in any Adverse Business. Therefore, during the term of this Agreement, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee (or any member of his or her immediate family or household), nor any officer, director, executive, manager or member of the professional staff of Franchisee, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall:

- a. Divert or attempt to divert any business or customer of the Franchised The Wellness Way Clinic to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System; or

- b. Own an interest in, manage, operate, or perform services for any Competitive Business or Adverse Business, wherever located.

8.5. Execution of Nondisclosure and Non-Competition Agreements

Franchisee shall require each holder of a legal or beneficial interest in Franchisee (and each member of his or her immediate family or household), and each officer, director, executive, manager or member of the professional staff and all employees of Franchisee to execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as **Exhibit 2**, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Before providing access to any of Franchisor's confidential information, and subsequently, upon Franchisor's request, Franchisee shall provide Franchisor copies of all non-disclosure and non-competition agreements signed pursuant to this section. Such agreements shall remain on file at the offices of Franchisee and are subject to audit or review as otherwise set forth herein. Franchisor shall be a third party beneficiary with the right to enforce covenants contained in such agreements.

8.6. Reasonableness of Restrictions

Franchisee acknowledges that the restrictive covenants contained in this Section 8 are essential elements of this Agreement and that without their inclusion, Franchisor would not have entered into this Agreement. Franchisee acknowledges that each of the terms set forth herein, including, for example, the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisor, the System and the Marks and Franchisee waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

9. TRAINING AND ASSISTANCE

9.1. Initial Training

Franchisor shall make an initial training program available to the Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, Designated Marketing Coordinator and such other owners and/or staff persons as Franchisee requests. The number of attendees for the initial training program is unlimited, included in the initial franchise fee, provided that all such persons attend the in-person training at the same time as either the Designated Managing Owner/Designated Managing Chiropractor or the Designated Office Manager/Designated Marketing Coordinator training (either one or two total training sessions depending on Franchisee's staffing before opening). Before the opening of the Franchised The Wellness Way Clinic, the Designated Managing Owner and Designated Managing Chiropractor (which may be one person) must attend and successfully complete, to Franchisor's satisfaction, an initial training program pertaining to the operation and administration of the Franchised The Wellness Way Clinic, including, but not limited to: practices and procedures, sales and marketing methods; financial controls; maintenance of quality standards; customer service techniques; record keeping; and reporting procedures and other operational issues. Before the opening, or within six (6) months after opening the Franchised The Wellness Way Clinic if the positions have not been filled prior to opening, the Designated Office Manager and Designated Marketing Coordinator must attend and successfully complete, to Franchisor's satisfaction, an initial training program pertaining to the operation, marketing and administration of the Franchised The Wellness Way Clinic. Franchisor shall conduct the in-person portion of the initial training program at its headquarters, at the Franchised The Wellness Way Clinic, or at another designated location. Franchisor shall not charge tuition or similar fees for initial training for all Franchisee's attendees obtaining initial training at the same time as either the Designated Managing Owner/Designated Managing Chiropractor or the Designated Office Manager/Designated Marketing Coordinator training

(either one or two total in-person initial training sessions depending on Franchisee's staffing before opening), however, all expenses incurred by Franchisee in attending such program including, but not limited to, travel costs, room and board expenses and employees' salaries, shall be the sole responsibility of Franchisee. Except as otherwise expressly provided in this Section 9, Franchisee shall be responsible for training its management and other employees. Following the completion of Franchisor's initial training program, if Franchisee does not feel adequately trained in any area, Franchisee may request additional training, and Franchisor will provide additional training to Franchisee. If Franchisee does not request additional training within sixty (60) days of completion of the initial training program, it will be conclusively established that Franchisor has provided sufficient initial training.

9.2. Failure to Complete Initial Training Program

If Franchisor determines that the Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator is unable to satisfactorily complete the training program described above, Franchisor has the right to terminate this Agreement if Franchisee does not promptly designate a replacement who can complete the training program to Franchisor's reasonable satisfaction. In the event of substitute training, Franchisee will be required to pay Franchisor's then-current rates for additional training, if any, and reimburse Franchisor's costs for providing the substitute Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator an initial training program.

9.3. New Designated Managing Owner, Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator

After beginning operations, should Franchisee name a new Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator, Franchisee must immediately notify Franchisor of the identity of the new Designee, and the new Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator must complete the initial training program to Franchisor's satisfaction within ninety (90) days of being named. Franchisor has the right to require Franchisee to pay the costs of training, currently estimated at six hundred to three thousand dollars (\$600 - \$3,000) per trainee. Franchisee shall be responsible for all travel costs, room and board and its employees' salaries incurred in connection with the new Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, or Designated Marketing Coordinator's attendance at such training. Additionally, should Franchisee hire a new practitioner, that practitioner must complete the online initial training.

9.4. Ongoing Training

From time to time, Franchisor may provide (and, if it does, has the right to require that individuals holding specified owner/staff positions attend) ongoing training programs or seminars during the term of this Agreement. Franchisor may charge a fee for any mandatory or optional ongoing training. If a training program is designated as mandatory, Franchisee will be responsible for the fee for the program. Franchisor may also require additional training as a condition of curing a default, and Franchisee acknowledges that it may be required to complete any such training required to cure a default in addition to other mandatory ongoing training. Franchisee shall be responsible for all travel costs, room and board and its employees' salaries incurred in connection with the individual's attendance at such training. Failure of Franchisee to cause the specified owner/staff to attend any required ongoing training without obtaining a written waiver from Franchisor for good cause shown shall be a material default.

10. COMPLIANCE

10.1. Professional Judgment

Franchisee shall ensure that its chiropractors and other licensed professionals exercise independent professional judgment and are supervised and directed only by the Designated Managing Chiropractor or other licensed professionals, in compliance with all applicable laws governing the professionals. Nothing in this Agreement shall be construed as directing or limiting the professional judgment of any licensed professional. Nothing in this Agreement shall obligate you or your Designated Managing Chiropractor to perform any act that is contrary to the Designated Managing Chiropractor's professional judgment. You agree to immediately notify us in the event you determine that anything in the Operations Manual or any System Standard is contrary to your or your Designated Managing Chiropractor's professional judgment.

10.2. Franchisee Responsibilities

Without limiting other Franchisee responsibilities and obligations under this Agreement, Franchisee, and not Franchisor, shall be solely responsible for each of the following:

- a. The compliance of all licensed professionals with all laws applicable to them as a licensed professional;
- b. The selection of a course of treatment for a patient, the procedures or materials to be used as part of such course of treatment, and the manner in which such course of treatment is carried out by the licensee;
- c. Ensuring the Franchised The Wellness Way Clinic and Franchisee's billing practices comply with applicable laws where Franchisee is practicing;
- d. Ensuring the Franchised The Wellness Way Clinic complies with all applicable privacy laws, including without limitation, maintaining the privacy of patient records;
- e. Decisions relating to office personnel;
- f. Policies and decisions relating to pricing, credit, refunds, and warranties for professional chiropractic services.

11. CONFIDENTIAL OPERATIONS MANUAL

11.1. Loan by Franchisor

While this Agreement is in effect, Franchisor shall lend to Franchisee one (1) copy of the Confidential Operations Manual or grant Franchisee access to an electronic copy of the Confidential Operations Manual. Franchisee shall conduct the Franchised The Wellness Way Clinic in strict accordance with the provisions set forth in the Confidential Operations Manual. The Confidential Operations Manual may consist of one (1) or more separate manuals, videos, online modules, and other materials as designated by Franchisor and may be in written or electronic form. The Confidential Operations Manual shall, at all times, remain the sole property of Franchisor and shall promptly be returned to Franchisor upon expiration or termination of this Agreement.

11.2. Revisions

Franchisor has the right to add to or otherwise modify the Confidential Operations Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules prescribed by Franchisor; provided, however, that no such addition or modification shall materially alter Franchisee's fundamental status and rights under this Agreement. Franchisor may make such additions or modifications without prior notice to Franchisee. Franchisee shall immediately, upon notice, adopt any such changes and shall ensure that its copy of the Confidential Operations Manual is up-to-date at all times. If a dispute as to the contents of the Confidential Operations Manual arises, the terms of the master copy of the Confidential Operations Manual maintained by Franchisor at Franchisor's headquarters shall be controlling.

11.3. Not A Substitute For Independent Professional Judgment

Franchisee and Franchisor acknowledge and agree that the specifications, standards and operating procedures are not intended to limit or replace the professional judgment of your Designated Managing Chiropractor or any other licensed professional. The specifications, standards, and operating procedures represent only the minimum standards, and you, your Designated Managing Owner, and your Designated Managing Chiropractor are solely responsible for ensuring that all licensed professionals provide services according to all applicable legal requirements and standards of care. Nothing in the Operations Manual shall obligate you or your Designated Managing Chiropractor to perform any act that is contrary to the Designated Managing Chiropractor's professional judgment. You agree to immediately notify us in the event you determine that anything in the Operations Manual or any System Standard is contrary to your or your Designated Managing Chiropractor's professional judgment.

11.4. Confidentiality

The Confidential Operations Manual contains Trade Secrets and other Confidential Information of Franchisor, and its contents shall be kept confidential by Franchisee both during the term of the Franchise and subsequent to the expiration and non-renewal or termination of this Agreement. Franchisee shall at all times ensure that its copy of the Confidential Operations Manual is available at the Franchised The Wellness Way Clinic in a current and up-to-date form. If the Confidential Operations Manual is in paper form or stored on computer-readable media, Franchisee shall maintain the Confidential Operations Manual in a secure manner at the Approved Location; and if the Confidential Operations Manual is in electronic form, Franchisee shall maintain the Confidential Operations Manual in a password-protected file. Franchisee shall only grant authorized personnel, as defined in the Confidential Operations Manual, access to the Confidential Operations Manual or any key, combination or passwords needed for access to the Confidential Operations Manual, with single user passwords in accordance with Section 8 of this Agreement. Franchisee shall not disclose, duplicate or otherwise use any portion of the Confidential Operations Manual in an unauthorized manner.

12. FRANCHISE SYSTEM

12.1. Uniformity

Franchisee shall strictly comply, and shall cause the Franchised The Wellness Way Clinic and its employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Confidential Operations Manual or other communications supplied to Franchisee by Franchisor. Franchisee shall offer only those products and services approved by Franchisor. If Franchisee desires to offer a product or service not approved in the Confidential Operations Manual, Franchisee must obtain Franchisor's written approval to do so. Franchisor reserves the right to approve or

deny any request, in its sole in and absolute discretion and reserves the right to terminate any variance approval previously granted.

12.2. Modification of the System

Franchisee recognizes that from time to time, Franchisor may introduce, as part of the System, other methods or technology which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, equipment or signs. Franchisee agrees to make all required upgrades and modifications at its expense as may be required by Franchisor; provided, however, that Franchisee shall not be required to make any expenditures during the first year of the initial term or any expenditures which are unreasonably disproportionate to Franchisee's initial investment to establish the Franchised Business during the initial term and otherwise not to exceed \$15,000.00. If such additional investment is required to be made in the last year of the initial term, Franchisee may avoid making the investment by providing notice of intent not to renew the Franchise unless the investment is in connection with a modification to the System required by law or court order. Franchisee acknowledges that any required expenditures for changes or upgrades to the System shall be in addition to expenditures for repairs and maintenance as required in Section 15.2 of this Agreement. Notwithstanding the foregoing, Franchisee shall be required to make any and all improvements or modifications whenever such are required by law, regulation, agency decision, or court order.

12.3. Variance

Franchisor has the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of any particular The Wellness Way Clinic. Franchisor shall not be required to disclose or grant to Franchisee a like or similar variance hereunder.

13. MARKETING AND PROMOTIONAL ACTIVITIES

13.1. Local Marketing

Local marketing is currently determined by the Franchisee in the Franchisee's reasonable business judgment, with ads subject to Franchisor's approval. Franchisee should prepare and commit to a local marketing plan and should spend an amount determined by Franchisee in Franchisee's reasonable business judgment on marketing the Franchised The Wellness Way Clinic in Franchisee's Area of Primary of Responsibility. Franchisee shall be responsible for determining what marketing Franchisee shall use, and Franchisee shall submit to Franchisor, for its prior approval, all marketing and promotional materials to be used by Franchisee, including, but not limited to, television ads, radio ads, ad copy, coupons, flyers, scripts and direct mail. Franchisor shall use reasonable efforts to provide notice of approval or disapproval within thirty (30) days from the date all such material is received by Franchisor. If Franchisor does not approve submitted materials by the end of such thirty (30) day period, such materials shall be deemed to have received the required approval. Franchisee shall not use any marketing or promotional material prior to approval by Franchisor. We shall have the absolute right, at our sole discretion, to terminate any approval at any time upon written notice to you. The Wellness Way may, but is not required to, specify from time to time in the Operations Manual certain online social media postings that, when made in accordance with the System Standards on an approved platform (**Exhibit 9**), do not require pre-approval prior to posting. In

all cases, The Wellness Way reserves the absolute right, at our sole discretion, to require removal or discontinuance of any posting or marketing.

13.2. Internet Marketing

Franchisee may not establish a presence on, or market using, the Internet in connection with the Franchised The Wellness Way Clinic without Franchisor's prior written consent. Franchisor has established and maintains an Internet website at the uniform resource locator **www.thewellnessway.com** that provides information about the System and the products and services that Franchisor and its franchisees provide. Franchisor may include at the Wellness Way website an interior page containing information about the Franchised The Wellness Way Clinic. All information provided by Franchisee or which Franchisor does not create shall be subject to Franchisor's written approval prior to posting. Franchisor retains the sole right to advertise or use the Marks on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. Franchisee may be requested to provide content for Franchisor's Internet marketing and shall be required to follow Franchisor's intranet and Internet usage rules, policies and requirements. Franchisor retains the sole right to approve any linking to, or other use of, The Wellness Way website.

Unless you have our prior written consent, you agree not to use any Mark as a part of any domain name, home page, electronic address, or otherwise in connection with an internet site (unless in connection with our approved franchise system website) or in any username, screen name or profile in connection with any social networking sites, such as, but not limited to, Facebook, Vimeo, YouTube, Instagram, Tik Tok, Twitter, and LinkedIn. You may apply to Franchisor for approval of use in an online platform or other electronic media by using the form attached hereto as **Exhibit 9**. We have no obligation to consent to your use of any Mark or trade name in any form of electronic media and reserve all rights to control the use of all Marks and trade names in all forms of electronic media. Should we grant you written authorization to use the Marks in a form of electronic media, you agree that we will have the right to control the content associated with the Marks, administrative access to all such electronic media accounts, and login information and passwords to all such accounts. As set forth in **Exhibit 9**, our approval of a Franchisee's use of a social media platform contemplates the Franchisee administering/posting on the platform with the Franchisor only exercising its rights when Franchisor deems necessary.

13.3. Directory Marketing

Franchisee must list or advertise the Franchised The Wellness Way Clinic in such print and on-line directories as Franchisor may specify from time to time.

13.4. Global Marketing Fund

The Wellness Way Franchise LLC has implemented a Global Marketing Fund, and Franchisee will be required to contribute to the Global Marketing Fund in the amount of 1% of Gross Revenues. Your contribution to the Global Marketing Fund shall be due and payable together with Franchise Royalties. Global Marketing Fund contributions are in addition to your local marketing obligations set forth above.

We will administer the National Brand Fund as follows:

- a. All Global Marketing Funds received will be segregated from the general funds of The Wellness Way Franchise LLC in a separate account and will be spent on System promotion, development and marketing in the region or nationally as the case may be. The Global Marketing Fund shall not be used to defray any of our general operating expenses, except for such reasonable costs and expenses, if any, that we may incur in activities reasonably related to the administration of the Global Marketing Fund, creation or production of any marketing piece, or implementation of a marketing initiative.
- b. Franchisee's Global Marketing Fund Contributions may be used to meet the costs of, or to reimburse us for our costs of, creating, producing, maintaining, administering and directing consumer marketing (including, without limitation, the cost of creating, preparing and conducting television, radio, Internet, magazine, newspaper, and direct mail marketing campaigns and other public relations activities, email marketing, developing and/or hosting an Internet web page or site and similar activities, employing marketing agencies to assist therein, and providing promotional brochures and other marketing materials to franchisees).
- c. We will oversee all marketing programs, with sole control over creative concepts, materials and media used in such programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by the Global Marketing Fund. The program(s) may be local, regional or System-wide. We have no obligation to expend the marketing funds in any particular geographic area. We do not warrant the success or effectiveness of any particular marketing program.
- d. We shall endeavor to spend all Global Marketing Fund Contributions on marketing programs and promotions during the fiscal year within which such contributions are made and the following fiscal year. If excess amounts remain in the Global Marketing Fund at the end of a fiscal year, all expenditures in the following fiscal year(s) shall be made first out of such excess amounts, including any interest on or other earnings of the Global Marketing Fund, and next out of prior year contributions and then out of current contributions.
- e. Although We intend the Global Marketing Fund to be of perpetual duration, we have the right to terminate the Global Marketing Fund at any time. The Global Marketing Fund shall not be terminated, however, until all Global Marketing Fund Contributions have been expended for marketing and promotional purposes or returned to Franchisee and other franchisees on a pro rata basis based on total Global Marketing Fund Contributions made in the aggregate by each franchisee.
- f. An accounting of the operation of the Global Marketing Fund shall be prepared annually and shall be available to Franchisee upon request. We are not required to but retain the right to have the Global Marketing Fund reviewed or audited and reported on, at the expense of the Global Marketing Fund, by an independent certified public accountant selected by us.

- g. Franchisee acknowledges that the Global Marketing Fund is not a trust and that The Wellness Way Franchise LLC assumes no fiduciary duty in administering the Global Marketing Fund.

14. ACCOUNTING, RECORDS AND REPORTING OBLIGATIONS

14.1. Records

During the term of this Agreement, Franchisee shall maintain full, complete and accurate books, records and accounts in accordance with the standard accounting system prescribed by Franchisor in the Confidential Operations Manual or otherwise in writing. Franchisee must use and maintain the standard chart of accounts and use the accounting program specified by Franchisor from time to time. As of the date of this Agreement, Franchisor requires Franchisee to use QuickBooks and to provide Franchisor with read-only access to Franchisee's account. At no time shall Franchisee's books and records, including its QuickBooks records, be more than thirty (30) days out of date. At no time shall Franchisee's books, records, and accounting be more than thirty (30) days incomplete. Failure to keep books, records, and accounting current is a material breach of this Agreement. Franchisee shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to the Franchised The Wellness Way Clinic, including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts, disbursement journals, general ledgers, media sponsorships, trade deals, group marketing deals and any other financial records designated by Franchisor or required by law.

14.2. Financial Statements

Franchisee shall at all times maintain complete and accurate books and records in an accounting program approved by Franchisor pursuant to a standard chart of accounts, as designated by Franchisor and/or its accounting advisors from time to time. Franchisee shall ensure that Franchisor has continuous read-only access to the books and records. If Franchisee will maintain its accounting on a desktop, Franchisee agrees to provide any financial statements, balance sheets, profit and loss statements, or other reporting requested by Franchisor within forty-eight (48) hours of the request. In addition, upon Franchisor's request, Franchisee shall supply to Franchisor in a form approved by Franchisor, such balance sheets, income statements, and other financial reports as Franchisor may specify. Such financial statements shall be prepared in accordance with good accounting practices applied on a consistent basis. As of the date of this Agreement, Franchisee is required to submit to Franchisor a profit and loss statement and balance sheet, prepared according to Franchisor's standard chart of accounts within thirty (30) days of the close of each calendar month. If required by Franchisor, such financial statements shall be reviewed or audited by a certified public accountant. Franchisee shall submit to Franchisor such other periodic reports in the manner and at the times specified in the Confidential Operations Manual or otherwise in writing. Franchisee agrees that Franchisor has the right to use and to disclose all information provided by Franchisee to Franchisor in Franchisee's financial statements, balance sheets, income statements, and other reports.

14.3. Other Reports

Franchisee shall submit to Franchisor copies of all state sales tax returns that are required to be filed with the appropriate governmental agency. Franchisee shall provide or authorize any Approved Vendor to provide such reporting to Franchisor as Franchisor may reasonably require from time to time. Franchisee shall provide such other records as Franchisor may reasonably request from time to time or as

specified in the Confidential Operations Manual. Franchisor shall have the right to release financial and operational information relating to the Franchised The Wellness Way Clinic to Franchisor's lenders and prospective lenders, investors and purchasers of Franchisor (irrespective of whether the purchase is structured as an asset purchase, stock purchase or merger). Franchisee shall certify as true and correct all reports to be submitted pursuant to this Agreement.

14.4. Computer/Point-of-Sale System

Franchisor requires Franchisee to acquire, install and use computer and point-of-sale systems consisting of hardware and software in accordance with Franchisor's specifications. Franchisee warrants and covenants that all sales of products and services, of any kind, at, from, or through the Franchised Wellness Way Clinic or otherwise using or related to the Marks will be processed through the designated point-of-sale system. Franchisor shall have full access to all of Franchisee's computer and point-of-sale data and systems and all related information by means of direct access, either in person or by telephone, modem or Internet to permit Franchisor to verify Franchisee's compliance with its obligations under this Agreement. Provided, however, Franchisee shall have exclusive rights to access and duty to maintain any Patient Information and Patient Records.

14.5. Right to Inspect

Franchisor or its designee has the right, during normal business hours, to examine, copy and audit the books, records and tax returns of Franchisee. If an audit or any other inspection should reveal that any amounts owed to Franchisor have been underpaid, then Franchisee shall immediately pay to Franchisor the amount of the underpayment plus interest from the date such amount was due until paid at the rate of eighteen percent (18%) per annum (or the highest rate allowed by the law of the state where Franchisee is located). If an audit or any other inspection discloses an underpayment of three percent (3%) or more of the amount owed to Franchisor for the period covered by the audit or inspection, Franchisee shall, in addition, reimburse Franchisor for any and all costs and expenses connected with the audit or inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies Franchisor may have.

14.6. Release of Records

At Franchisor's request, Franchisee shall authorize and direct any third parties, including accounting and legal professionals, to release to Franchisor all accounting and financial records arising from or relating to the operation of the Franchised The Wellness Way Clinic, including, but not limited to, records evidencing Gross Revenue, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to Franchisor on a monthly basis for the length of the unexpired term of this Agreement or until such time as Franchisor withdraws its request. Franchisee shall execute all documents necessary to facilitate the release of records referenced herein to Franchisor.

15. STANDARDS OF OPERATION

15.1. Authorized Products, Services and Suppliers

Franchisee acknowledges that the reputation and goodwill of the System are based in large part on offering uniform high quality products and services to its customers. Accordingly, Franchisee shall provide or offer for sale or use at the Franchised The Wellness Way Clinic only those products, supplies, signs, equipment and other items and services that Franchisor from time to time approves (and which are not thereafter disapproved) and that comply with Franchisor's specifications and quality standards. You must offer all products at retail prices, and you will not offer or sell any products at wholesale prices.

If required by Franchisor, any such items or services shall be purchased only from "Approved Suppliers" that Franchisor designates or approves (which might include, or be limited to, Franchisor or an Affiliate). Franchisee acknowledges that Franchisor may approve a supplier for one or more particular products or services and may disapprove the supplier for other products or services. Franchisee shall be responsible for ensuring that all products and services are purchased from an approved supplier of those products or services. Franchisee shall not offer for sale, sell or provide through the Franchised The Wellness Way Clinic or from the Franchised The Wellness Way Clinic any products or services that Franchisor has not approved. Franchisee agrees that Franchisor and/or Franchisor's affiliates may be an Approved Supplier and/or may be the only Approved Supplier and that Franchisor and its affiliates reserve the right to earn a profit on any goods or services supplied to Franchisee.

Franchisor shall provide Franchisee, in the Confidential Operations Manual or other written or electronic form, with a list of specifications and, if Franchisor requires Franchisee to purchase goods or services from Approved Suppliers, a list of Approved Suppliers for some or all of the required products, supplies, signs, equipment and other approved or specified items and services, and Franchisor may from time to time issue revisions to such list. If Franchisee desires to acquire any products or services that Franchisor has not approved, Franchisee shall submit a request for approval to Franchisor. Franchisor may, in its discretion, require Franchisee to have the service or product and/or supplier evaluated by an independent agency to determine whether the service or product complies with Franchisor's standards and specifications or whether the supplier meets its Approved Supplier criteria. Franchisee shall bear all of the expenses for such independent evaluation. Franchisor will decide within a reasonable time (usually within thirty [30] days) after receiving the required information whether Franchisee may acquire such items or whether the supplier shall be designated as an Approved Supplier, as the case may be. Failure to receive written approval of a supplier from Franchisor will be a denial of the proposed supplier. Approval of a supplier may be conditioned on a variety of criteria, as determined by Franchisor from time to time, including but not limited to, the supplier's ability to provide a sufficient quantity of product; quality of products or services at competitive prices; production and delivery capability; and dependability and general reputation. Nothing in this Section shall be construed to require Franchisor to approve any particular supplier, or to require Franchisor to make available to prospective suppliers, standards and specifications that Franchisor deems confidential.

Notwithstanding anything contrary in this Agreement, Franchisor has the right to reconsider from time to time its approval of any items or suppliers. Franchisor may revoke its approval of any item, service or supplier at any time by notifying Franchisee. Franchisee shall, at its own expense, promptly cease using, selling or providing any items or services disapproved by Franchisor and shall promptly cease purchasing, leasing or licensing from suppliers disapproved by Franchisor.

Franchisor has the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as Franchisor determines including, but not limited to, franchisee qualifications, test marketing and regional or local differences. Franchisor has the right to permit one (1) or more franchisees to provide certain products or services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 12.3 and shall not create any rights in Franchisee to provide the same products or services.

Franchisor has the right to retain volume rebates, markups and other benefits from suppliers or in connection with the furnishing of Approved Suppliers. Franchisee shall have no entitlement to or interest in any such benefits.

15.2. Appearance and Condition of the Franchised The Wellness Way Clinic

Franchisee shall maintain the Franchised The Wellness Way Clinic in “like new” condition, and shall repair or replace furniture, fixtures, equipment, and signage as necessary to comply with the health and safety standards, specifications of Franchisor, and any applicable laws or regulations. The expense of such maintenance shall be borne by Franchisee and shall be in addition to any required System modifications, as described in Section 12.2.

15.3. Ownership and Management

You certify that all legal and beneficial owners of you are set forth in **Exhibit 4** attached hereto, that all such owners have completed a franchise application which is complete, true and correct in all material aspects, and that all such owners have executed and returned to us the Guarantee attached hereto as **Exhibit 3**. The Franchised The Wellness Way Clinic shall, at all times, be under the direct supervision of Franchisee. The Designated Managing Chiropractor and Designated Office Manager shall devote sufficient efforts to the management of the day-to-day operation of the Franchised The Wellness Way Clinic and each commit to regularly spend 25 or more hours per week at the Franchised The Wellness Way Clinic. Franchisee acknowledges and agrees that its Designated Managing Chiropractor (which may also be its Designated Managing Owner) must supervise and manage Franchisee’s licensed practitioners. Franchisee shall keep Franchisor informed, in writing, at all times of the identity of its Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, and Designated Marketing Coordinator. Franchisee and its Owners must not engage in any business or other activities that will conflict with its obligations under this Agreement, including without limitation activities involving a Competitive Business or Adverse Business.

15.4. Contributions and Donations

In order to protect the Marks, Franchisee must obtain Franchisor’s prior written consent before making any contributions or donations of items, services or funds to any individual or entity, or providing any type of other benefit to any charitable, religious, political, social, civic or other type of organization (or to any individual on behalf of any organization). Franchisor may, from time to time, designate certain classes of organizations in the Operations Manual as having open consent. Franchisor may withdraw any consent previously granted and may withhold its consent in its sole and absolute discretion.

15.5. Personnel

Franchisee is solely responsible for its employees, and Franchisor does not exercise control over Franchisee's employees. Franchisee shall maintain competent and conscientious personnel to operate the Franchised The Wellness Way Clinic in accordance with this Agreement and the Confidential Operations Manual. Franchisee shall train or cause the training of all personnel as and when required by prudent business practices, System standards or this Agreement, and Franchisee shall comply with all applicable laws and regulations regarding the qualifications, hiring and training of employees, including without limitation, all professional licensing laws. All costs associated with Franchisee's performance of its obligations under this Section shall be the sole responsibility of Franchisee. Franchisee shall obtain from all personnel who will have access to The Wellness Way Confidential Information and provide to Franchisor an executed Noncompetition and Nondisclosure Agreement in the format attached hereto as **Exhibit 2** or such other format as may be specified by Franchisor from time to time.

15.6. Privacy and Security

Franchisee is solely responsible for maintaining the privacy and security of personally identifiable information ("PI") of employees and patients of the Franchised The Wellness Way Clinic. Franchisee agrees to comply with all laws and regulations regarding privacy, data security, and cyber security, to use commercially reasonable efforts to maintain the security of PI, and to take any other steps or measures regarding privacy and security which Franchisor may request from time to time.

15.7. Licenses and Permits

Franchisee shall secure and maintain in force all required licenses, permits and certificates necessary for the operation of the Franchised The Wellness Way Clinic, and shall operate the Franchised The Wellness Way Clinic in full compliance with all applicable laws, ordinances and regulations. Franchisor makes no representation to Franchisee with regard to any legal requirements that Franchisee must satisfy or comply with in connection with the operation of the Franchised The Wellness Way Clinic. Franchisee shall be solely responsible for investigating and complying with all such laws, ordinances and regulations and acknowledges that Franchisor has recommended that Franchisee consult with a health care lawyer experienced with the laws in the jurisdiction where the Franchised The Wellness Way Clinic will be located.

15.8. Notification of Proceedings

Franchisee shall notify Franchisor in writing of the commencement of any action, suit or proceeding involving Franchisee or the Franchised The Wellness Way Clinic, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of the Franchised The Wellness Way Clinic not more than five (5) days after becoming aware of such commencement or issuance. Franchisee shall deliver to Franchisor, not more than five (5) days after Franchisee's receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects Franchisee's failure to meet and maintain the highest applicable rating or Franchisee's noncompliance or less than full compliance with any applicable law, rule or regulation.

15.9. Compliance with Good Business Practices

Franchisee acknowledges that the quality of customer service, and every detail of appearance and demeanor of Franchisee and its employees, is material to this Agreement and the relationship created and licenses granted hereby. Therefore, Franchisee shall use reasonable efforts to maintain high standards of quality and service in the operation of the Franchised The Wellness Way Clinic. Franchisee shall at all times give prompt, courteous and efficient service to customers of the Franchised The Wellness Way Clinic. The Franchised The Wellness Way Clinic shall in all dealings with its customers, vendors and the general public adhere to the highest standards of honesty, fair dealing and ethical conduct. Franchisee shall ensure that it has obtained proper permissions or licensing for any intellectual property of another used in the Franchised The Wellness Way Clinic, including without limitation, images used and music played. Franchisee shall ensure that its policies related to any gift card program comply with all applicable escheat laws.

15.10. Uniform or Dress Code

Franchisee shall abide by any uniform or dress code requirements stated in the Confidential Operations Manual or otherwise. Uniforms, if required, must be purchased from an Approved Supplier, if such is designated, or, if none, then a supplier who meets Franchisor's specifications and quality standards for uniforms.

15.11. Credit Cards

Franchisee shall, at its expense, lease or purchase the necessary equipment and/or software and shall have arrangements in place with Visa, MasterCard and such other credit card issuers as Franchisor may designate, from time to time, to enable the Franchised The Wellness Way Clinic to accept such methods of payment from its customers.

15.12. E-Mail

Franchisee shall, at all times utilize the email addresses provided by Franchisor for communications regarding the Franchised The Wellness Way Clinic and for communications with Franchisor. Franchisee must include in its email signature block a statement that Franchisee's Franchised The Wellness Way Clinic is an independently owned and operated franchise.

15.13. Full Term Performance

Franchisee specifically agrees to be obligated to operate the Franchise, perform the obligations of this Agreement, and continuously use its best efforts to operate the Franchised The Wellness Way Clinic. For the full term of this Agreement.

15.14. Pricing

To the fullest extent permissible under applicable law, (a) we may periodically establish maximum and/or minimum prices, marketing for services and products that the Clinic offers including pricing specifications for System- wide promotions, and (b) if we establish such prices for any services or products, you agree not to exceed or reduce that price, but will charge the price for the service or product that we

establish. This provision shall be automatically modified to conform to all applicable state and federal laws, rules and regulations.

16. FRANCHISOR'S ADDITIONAL OPERATIONS ASSISTANCE

16.1. General Advice and Guidance

Franchisor shall be available to render advice, discuss problems and offer general guidance to Franchisee by telephone, e-mail, facsimile, newsletters and other methods with respect to planning, opening and operating the Franchised The Wellness Way Clinic. Franchisor shall not charge for this service; however, Franchisor retains the right to refuse to provide the service or to charge a fee for this service should Franchisee be deemed by Franchisor to be utilizing this service too frequently or in an unintended manner. To the extent permitted by applicable law, we may occasionally establish maximum and/or minimum prices or minimum advertised price policies for services and products that Franchise locations offer, including without limitation, prices for promotions in which all or certain The Wellness Way Clinics participate. If we establish such prices for any services or products, you cannot exceed or reduce that price, but will charge the price for the service or product that we establish. You will apply any pricing format or schedule or minimum advertised price policy determined by us. These policies are subject to anti-trust and other related laws that may limit our ability to require you to set prices.

16.2. Periodic Visits

Franchisor or Franchisor's representatives may make periodic visits, which may be announced or unannounced, to the Franchised The Wellness Way Clinic for the purposes of consultation, assistance and guidance with respect to various aspects of the operation and management of the Franchised The Wellness Way Clinic. Franchisor and Franchisor's representatives who visit the Franchised The Wellness Way Clinic may prepare, for the benefit of both Franchisor and Franchisee, written reports detailing any problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of the Franchised The Wellness Way Clinic. A copy of any such written report may be provided to Franchisee. Franchisee shall promptly implement any required changes or improvements as required by Franchisor, with time being of the essence.

17. INSURANCE

17.1. Types and Amounts of Coverage

At its sole expense, Franchisee shall procure prior to opening the Franchised The Wellness Way Clinic, and maintain in full force and effect during the term of this Agreement, the types of insurance we specify from time to time. All policies (except any workers' compensation insurance) shall expressly name Franchisor as an additional insured or loss payee, and all shall contain a waiver of all subrogation rights against Franchisor and its successors and assigns. In addition to any other insurance that may be required by applicable law, or by a third party, Franchisee shall procure:

- g. workers' compensation insurance and employer liability coverage with a minimum of \$100,000 for each accident and \$100,000 for each disease or such higher limit as your state law requires;

- h. comprehensive general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, plus a \$5,000,000 umbrella policy, or higher if your state law requires (this policy must include coverage for contractual indemnity);
- i. owned and non-owned automobile liability insurance of at least \$1,000,000;
- j. cyber security/data breach insurance of \$1,000,000 per occurrence and \$1,000,000 in the aggregate;
- k. employment liability insurance of \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- l. such insurance as is necessary to provide coverage under the indemnity provisions set forth in Section 23; PLUS

In addition, the franchisee must ensure that every chiropractor or other licensed professional providing patient care at or through the Franchised The Wellness Way Clinic maintains professional liability / medical malpractice insurance of at least \$1,000,000 per occurrence and \$3,000,000 in the aggregate and must provide copies of all policies to Franchisor.

17.2. Future Increases

Franchisor has the right to reasonably increase the minimum liability protection requirement annually and require different or additional insurance coverage(s) to reflect inflation, changes in standards of liability, future damage awards or other relevant changes in circumstances.

17.3. Carrier Standards

Such policies shall be written by insurance companies licensed in the state in which Franchisee operates and having at least an “A” Rating Classification as indicated in the latest issue of A.M. Best’s Key Rating Guide. Although A.M. Best groups “A” and “A-” in the same classification, Franchisor requires an “A” rating.

17.4. Evidence of Coverage

Franchisee’s obligation to obtain and maintain the foregoing policies shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee’s performance of this obligation relieve it of liability under the indemnity provisions set forth in Section 17.3. Franchisee shall provide, annually, certificates of insurance showing compliance with the foregoing requirements. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days prior written notice to Franchisor and shall reflect proof of payment of premiums.

17.5. Failure to Maintain Coverage

Should Franchisee not procure and maintain insurance coverage as required by this Agreement, Franchisor has the right (but not the obligation) to immediately procure such insurance coverage and to

charge the premiums to Franchisee, which charges, together with a reasonable fee for expenses incurred by Franchisor in connection with such procurement, shall be paid by Franchisee immediately upon notice.

18. DEFAULT AND TERMINATION

18.1. Termination by Franchisee

If Franchisee is in full compliance with all of the terms of this Agreement and Franchisor materially breaches this Agreement and fails to commence reasonable efforts to cure such breach within forty-five (45) days after receiving written notice identifying the claimed breach and the applicable provision of this Agreement, Franchisee may elect to terminate this Agreement unless the breach cannot reasonably be cured within such forty-five (45) days. Provided, however, in the event Franchisor has notified Franchisee within the applicable cure period that Franchisor disputes that it is in breach, Franchisee agrees to comply with the dispute resolution procedures of this Agreement, including without limitation, attending mediation with a third party neutral mediator to try to resolve the dispute. All post-termination provisions will be applicable in the event Franchisee terminates this Agreement pursuant to this paragraph.

18.2. Termination by Franchisor

Franchisor has the right to terminate this Agreement, without any opportunity to cure by Franchisee, if Franchisee and/or its Owners:

- a. fails to timely establish, equip and commence operations of the Franchised The Wellness Way Clinic pursuant to Section 6;
- b. fails to have its Designated Managing Owner, Designated Managing Chiropractor, Designated Office Manager, and Designated Marketing Coordinator satisfactorily complete any training program pursuant to Section 9;
- c. fails to maintain all required licenses, permits, and certifications for a period exceeding five (5) business days (including without limitation all chiropractic and other professional licenses);
- d. fails to have a licensed chiropractor on staff;
- e. are prohibited by any governmental body or agency from offering chiropractic services
- f. made any material misrepresentation or omission in its application for the Franchise or otherwise in communicating with Franchisor in the course of entering into this Agreement;
- g. Franchisee and/or one or more of Franchisee's owners is convicted of or pleads no contest to a felony or to another crime or offense that is likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised The Wellness Way Clinic;

- h. after notice of the breach, fails to refrain from activities, behavior or conduct likely to adversely affect the reputation of Franchisor, Franchisee or the Franchised The Wellness Way Clinic;
- i. offers or uses supplements or testing services not approved by us;
- j. discloses, duplicates or otherwise uses in an unauthorized manner any portion of the Confidential Operations Manual, Trade Secrets or any other Confidential Information;
- k. fails to have each holder of a legal or beneficial interest in Franchisee (and any member of such holder's immediate family or household), and each officer, director, executive, manager or member of the professional staff and all employees of Franchisee, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as **Exhibit 2**, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide Franchisor with copies of all nondisclosure and non-competition agreements signed pursuant to Section 8.5 if requested by Franchisor;
- l. abandons, fails or refuses to actively operate the Franchised The Wellness Way Clinic for five (5) or more consecutive days (unless the Franchised The Wellness Way Clinic has not been operational for a purpose approved by Franchisor) or, if first approved by Franchisor, fails to promptly relocate the Franchised The Wellness Way Clinic following the expiration or termination of the lease for the Approved Location, the destruction or condemnation of the Approved Location or any other event rendering the location of the Franchised The Wellness Way Clinic unusable;
- m. surrenders or transfers control of the operation of the Franchised The Wellness Way Clinic without Franchisor's approval, makes or attempts to make an unauthorized direct or indirect assignment of the Franchise or an ownership interest in Franchisee, or fails or refuses to assign the Franchise or the interest in Franchisee of a deceased or incapacitated owner thereof as herein required;
- n. fails to maintain the Franchised The Wellness Way Clinic under the primary supervision of a Designated Managing Chiropractor and Designated Office Manager during the period of time pending transfer (typically ninety (90) days) following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in Franchisee pursuant to Section 20.6;
- o. submits to Franchisor on two (2) or more separate occasions at any time during the term of the Franchise any reports or other data, information or supporting records that understate any Royalty, Global Marketing Fund Contribution, or any other fees owed to Franchisor by more than three percent (3%) for any accounting period and Franchisee is unable to demonstrate that such understatements resulted from inadvertent error;
- p. becomes a debtor under the United States Bankruptcy Code, becomes insolvent, commits any affirmative act of insolvency, or files any action or petition of insolvency; if a

receiver of its property or any part thereof is appointed by a court; if it makes a general assignment for the benefit of its creditors; if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); if execution is levied against any of Franchisee's business or property; if a suit to foreclose any lien or mortgage against its Approved Location or personal property is instituted against Franchisee and not dismissed or in the process of being dismissed within thirty (30) days;

- q. misuses or makes an unauthorized use of any of the Marks or commits any other act which can reasonably be expected to impair the goodwill associated with any of the Marks;
- r. fails on two (2) or more separate occasions within any period of twelve (12) consecutive months to submit reports or other information or supporting records when due, to pay any Administration and Processing Fee, amounts due for purchases from Franchisor and any Affiliate, or other payment to Franchisor or any Affiliate when due or otherwise fails to comply with this Agreement, whether or not such failures to comply are corrected after notice thereof is delivered to Franchisee;
- s. violates, on two (2) or more occasions, any health or safety law, ordinance or regulation, or operates the Franchised The Wellness Way Clinic in a manner that presents a health or safety hazard to its customers, employees or the public;
- t. engages in any activity exclusively reserved to Franchisor;
- u. fails to comply with any applicable law or regulation within ten (10) days after being given notice of noncompliance;
- v. on two or more occasions in a 12 month period breaches this Agreement and/or fails to comply with mandatory specifications, customer service standards or operating procedures prescribed in the Confidential Operations Manual, whether or not previous breaches or failures are cured; or
- w. defaults under any other agreement between Franchisor (or any Affiliate) and Franchisee, such that Franchisor or its Affiliate, as the case may be, has the right to terminate such agreement or such agreement automatically terminates.

18.3. Termination After Opportunity to Cure

In addition to the provisions listed in Section 18.2, Franchisor has the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that Franchisee may avoid termination by curing such default or failure (or by providing proof acceptable to Franchisor that Franchisee has made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

- a. within ten (10) days of receiving notice of Franchisee's failure to pay any amounts due to Franchisor;
- b. within ten (10) days of receiving notice of Franchisee's failure to maintain insurance as specified in Section 17 of this Agreement; or
- c. within forty-five (45) days of receiving notice of any other default by Franchisee or upon Franchisee's failure to comply with any mandatory specification, standard or operating procedure prescribed in the Confidential Operations Manual or otherwise prescribed in writing.

18.4. Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, Franchisor may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to Franchisee without waiving any of Franchisor's rights under this Agreement.

18.5. Right of Franchisor to Discontinue Services to Franchisee

If Franchisee is in breach of any obligation under this Agreement, and Franchisor delivers to Franchisee a notice of termination pursuant to Section 16, Franchisor has the right to suspend its performance of any of its obligations under this Agreement including, without limitation, the sale or supply to Franchisee of any products or services for which Franchisor is an Approved Supplier, until such time as Franchisee corrects the breach.

18.6. Non-Compliance Charge.

In addition to our other rights and remedies, we may charge you a non-compliance charge in an amount up to five hundred dollars (\$500) per violation by you of any term or condition of this Agreement. You recognize that when you violate your obligations under this Agreement, we will devote time and expenses toward dealing with the non-compliance, and this charge is designed to compensate us for that time and expense and shall not be construed as a penalty.

19. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

19.1. Actions to be Taken

Except as otherwise provided herein, upon termination, expiration or nonrenewal, this Agreement and all rights granted hereunder to Franchisee shall terminate and Franchisee shall:

- a. If Franchisor has provided a notice that Franchisor is exercising its option to purchase the Assets of the Franchised The Wellness Way Clinic or if Franchisor advises Franchisee that it is evaluating the exercise of its option to purchase the assets of the Franchised The Wellness Way Clinic, take such steps as reasonably requested by

Franchisor to continue operations of the Franchised The Wellness Way Clinic until the Closing of the purchase;

- b. If Franchisor has advised Franchisee that it will not exercise its option to purchase or if the option period has expired, immediately:
 - i. cease to operate the Franchised The Wellness Way Clinic and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor;
 - ii. cease to use the Trade Secrets, the Confidential Information, the System and the Marks, including, without limitation, all signs, slogans, symbols, logos, marketing materials, stationery, forms, nutritional supplements, labs, and any other items which display or are associated with the Marks;
 - iii. upon demand by Franchisor, immediately assign to Franchisor (or, if an assignment is prohibited, sublease for the full remaining term, and on the same terms and conditions as Franchisee's lease) its interest in the lease then in effect for the Franchised The Wellness Way Clinic, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement, and Franchisor has the right to pay rent and other expenses directly to the party to whom such payment is ultimately due;
 - iv. take such action as may be necessary to cancel or assign to Franchisor, at Franchisor's option, any assumed name or equivalent registration filed with state, city or county authorities which contains the name "The Wellness Way" or any other Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;
 - v. pay all sums owing to Franchisor and any Affiliate. In the event of termination for any default of Franchisee, such sums shall include, but not be limited to, all damages, costs and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate or bankruptcy proceedings, unpaid Royalty Fees and other charges, loss of future Royalty Fee payments incurred by Franchisor as a result of any early termination of this Agreement, and any other amounts due to Franchisor or any Affiliate;
 - vi. pay to Franchisor all costs and expenses, including reasonable attorneys' fees, incurred by Franchisor subsequent to the termination or expiration of the Franchise in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

- vii. immediately return to Franchisor the Confidential Operations Manual, Trade Secrets and all other Confidential Information, including records, files, instructions, brochures, agreements, disclosure statements and any and all other materials provided by Franchisor to Franchisee relating to the operation of the Franchised The Wellness Way Clinic (all of which are acknowledged to be Franchisor's property);
- viii. if requested, assign all telephone listings and all telephone and facsimile numbers for the Franchised The Wellness Way Clinic to Franchisor or its designee, notify the telephone company and all listing agencies of the termination or expiration of Franchisee's right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and authorize transfer of same to or at the direction of Franchisor;
- ix. you agree to completely remove or modify, at your sole expense, any part of the interior and exterior decor that we deem necessary to disassociate the Premises with the image of The Wellness Way Clinic including Trade Dress and any signage bearing the Marks as further described in **Exhibit 6**. If you do not take the actions we request within thirty (30) days after notice from us that we do not intend to take over operations of the facility, we have the right to enter the Premises and make the required changes at your expense, and you agree to reimburse us for those expenses on demand; and
- x. comply with all other applicable provisions of this Agreement.

19.2. Post-Termination Covenant Not to Compete

- a. Franchisee acknowledges that the restrictive covenants contained in this Section and in Section 8 are fair and reasonable and are justifiably required for certain purposes including, but not limited to, the following:
 - i. to protect the Trade Secrets and other Confidential Information of Franchisor;
 - ii. to induce Franchisor to grant a Franchise to Franchisee; and
 - iii. to protect Franchisor against its costs in training Franchisee and Franchisee's officers, directors, executives, professional staff and Designated Managing Owner(s).
- b. Except as otherwise approved in writing by Franchisor, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee, shall, for a period of three (3) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly, for themselves or through, on behalf of or in

conjunction with any person, persons, partnership, corporation, limited liability company or other business entity:

- i. own an interest in, manage, operate or provide services to any Competitive Business providing chiropractic and wellness services within a ten (10) mile radius of your Area of Primary Responsibility.
- c. In furtherance of this Section, Franchisor has the right to require Franchisor and Franchisor's owners, officers, directors, members, managers, and constituent partners to execute standard form nondisclosure or non-competition agreements in a form specified by the Franchisor from time to time, currently the same as or similar to the Nondisclosure and Non-Competition Agreement attached as **Exhibit 2**.

19.3. Unfair Competition

If Franchisee operates any other business:

- a. Franchisee shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in the Marks
- b. Franchisee shall not use the Confidential Operations Manual in connection with, or to promote, such other business.
- c. Franchisee shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with Franchisor.
- d. This Section is not intended as an approval of Franchisee's right to operate other businesses and in no way is it intended to contradict Sections 8 and 18.
- e. If Franchisor elects not to receive an assignment or sublease of the Franchised Clinic, Franchisee shall make such modifications or alterations to the Approved Location (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between Franchisor or the System and any business subsequently operated by Franchisee or others at the Approved Location.
- f. Franchisee shall make such specific additional changes to the Franchised Clinic as Franchisor may reasonably request for that purpose, including, without limitation, removal of all physical and structural features identifying or distinctive to the System.
- g. If Franchisee fails or refuses to comply with the requirements of this Section, Franchisor has the right to enter upon the Franchised The Wellness Way Clinic for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense Franchisee shall pay upon demand.

19.4. Franchisor's Option to Purchase Certain Business Assets

Franchisor has the right (but not the duty), exercisable by providing written notice of intent to purchase to Franchisee within a period of thirty (30) days after termination or expiration of this Agreement, to purchase for cash any or all assets of the Franchised The Wellness Way Clinic including trade fixtures, leasehold improvements, equipment, supplies and all inventory. The purchase price shall be equal to the assets' fair market value as determined by an independent appraiser, and the Closing of the Option shall take place within ninety (90) days following Franchisor's receipt of the appraisal. If Franchisor elects to exercise this option to purchase, it has the right to set off all amounts due from Franchisee under this Agreement, if any, against the purchase price.

19.5. Survival of Certain Provisions

All obligations of Franchisor and Franchisee, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding such expiration or termination and until satisfied or by their nature expire.

19.6. Termination Fee

In the event this Agreement is terminated prior to the expiration of the Term, you acknowledge that we will suffer damages. You agree to pay a Termination Fee in the amount equal to the lesser of 24 months of your average royalties (based on the average royalties for the previous 12 months or such shorter time as you have been paying royalties) or the balance of your franchise term if less than 24 months. This payment is in addition to any other remedies that Franchisor may have including recovery of attorneys' fees and costs.

20. TRANSFERABILITY OF INTEREST

20.1. Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by Franchisor and such rights will inure to the benefit of any person or entity to whom transferred; provided, however, that, with respect to any assignment resulting in the subsequent performance by the assignee of the functions of Franchisor, the assignee shall assume the obligations of Franchisor hereunder, and Franchisor shall thereafter have no liability for the performance of any obligations contained in this Agreement.

20.2. Transfer by Franchisee to a Third Party

The rights and duties of Franchisee as set forth in this Agreement, and the Franchise herein granted, are personal to Franchisee (or its owners), and Franchisor has entered into this Agreement in reliance upon Franchisee's personal or (in the case of Franchisor's owners) collective skill and financial ability. Accordingly, neither Franchisee nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, the Franchise granted hereby, the Approved Location used in operating the Franchised The Wellness Way Clinic, its assets or any part or all of the ownership interest in Franchisee without the prior written approval of Franchisor. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. Franchisor's consent to

such transfer shall be conditioned upon the satisfaction of the following requirements, as well as Franchisee's compliance with this Agreement:

- a. Franchisee has complied with the requirements set forth in Section 21;
- b. all obligations owed to Franchisor or its affiliates by you, your owners, and/or your affiliates under this Agreement or any other Agreement, and all other outstanding obligations relating to the Franchised The Wellness Way Clinic, are fully paid and satisfied;
- c. Franchisee (and any transferring owners, if Franchisee is a business entity) has executed a general release, in a form the same as or similar to the General Release attached as **Exhibit 1**, of any and all claims against Franchisor, including its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters relating to this Agreement or the Franchised The Wellness Way Clinic or incident to the termination of this Agreement or to the transfer of Franchisee's interest herein or to the transfer of Franchisee's ownership of all or any part of the Franchise; provided, however, that if a general release is prohibited, Franchisee shall give the maximum release allowed by law;
- d. the prospective transferee has proven to Franchisor that it meets Franchisor's management, business and financial standards, and otherwise possesses the character and capabilities, including business reputation and credit rating, that Franchisor may require to demonstrate the prospective transferee's ability to operate the Franchised The Wellness Way Clinic;
- e. neither the prospective transferee nor any of its Owners or their affiliates own an interest in or perform services for a Competitive Business or an Adverse Business;
- f. the transferee and, if Franchisor requires, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Fee rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;
- g. the prospective transferee has executed a general release, in a form the same as or similar to the General Release attached as **Exhibit 1**, of any and all claims against Franchisor and its officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities) with respect to any representations regarding the Franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;
- h. Franchisee has provided Franchisor with a complete copy of all contracts and agreements and related documentation between Franchisee and the prospective transferee relating to the intended sale or transfer of the Franchise or interest;

- i. Franchisee or the prospective transferee has paid to Franchisor a transfer fee in the amount of SEVEN THOUSAND DOLLARS (\$7,000.00);
- j. Franchisee or the prospective transferee has paid any and all brokerage fees that arise as a result of the transaction;
- k. all holders of a legal or beneficial interest in the prospective transferee have agreed to be personally bound jointly and severally by all provisions of the new franchise agreement for its entire term by executing a personal guaranty in such form as is prepared by Franchisor;
- l. Franchisee has agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the prospective transferee, if required by Franchisor;
- m. the prospective transferee has obtained all necessary consents and approvals by third parties (such as the lessor of the Approved Location and any applicable state and local licensing authorities) and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;
- n. Franchisee has, and, if Franchisee is an entity, all of the holders of a legal or beneficial interest in Franchisee have executed and delivered to Franchisor a nondisclosure and non-competition agreement in a form satisfactory to Franchisor and in substance the same as the nondisclosure and non-competition covenants contained in Sections 8 and 19;
- o. the prospective transferee agrees that its Designated Managing Owner, Designated Managing Chiropractor (which Franchisor may require be the same person), Designated Office Manager, and Designated Marketing Coordinator shall complete, to Franchisor's satisfaction, a training program in substance similar to the initial training described in Section 9.1 prior to assuming the management of the day-to-day operation of the Franchised The Wellness Way Clinic;
- p. the prospective transferee has obtained all required licenses, permits and certifications required to operate the Franchised The Wellness Way Clinic; and
- q. the prospective transferee has obtained all necessary types of insurance as described in Section 17.

20.3. Transfer to a Controlled Entity

If Franchisee wishes to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which is entirely owned by Franchisee or by Franchisee's owners ("Controlled Entity"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, Franchisor's consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

- a. the Controlled Entity's articles of incorporation or organization and its bylaws, or operating agreement provide that its activities are confined exclusively to the operation of one or more Franchised The Wellness Way Clinics;
- b. Franchisee or all holders of a legal or beneficial interest in Franchisee own, all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;
- c. all obligations of Franchisee to Franchisor or any Affiliate are fully paid and satisfied; provided, however, that neither Franchisee nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 20.2.h;
- d. the Controlled Entity has entered into a written agreement with Franchisor expressly assuming the obligations of this Agreement and all other agreements relating to the operation of the Franchised The Wellness Way Clinic. If the consent of any other party to any such other agreement is required, Franchisee has obtained such written consent and provided the same to Franchisor prior to consent by Franchisor;
- e. all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with Franchisor jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to Franchisor and the performance by the Controlled Entity of all the obligations of Franchisee or the Controlled Entity under this Agreement;
- f. each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to Franchisor that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and
- g. copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number and other governing regulations or documents, including resolutions of the board of directors authorizing the Controlled Entity's assumption of Franchisee's obligations under this Agreement, have been promptly furnished to Franchisor. Any amendment to any such documents shall also be furnished to Franchisor immediately upon adoption.
- h. The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.
- i. Franchisor's consent to a transfer of any interest in this Agreement, or of any ownership interest in the Franchised The Wellness Way Clinic, shall not constitute a waiver of any claims Franchisor may have against the transferor or the transferee, nor shall it be deemed a waiver of Franchisor's right to demand compliance with the terms of this Agreement.
- j. Franchisee has identified on **Exhibit 4** all holders of a legal or beneficial interest in the controlled entity and has designated one managing owner upon whom Franchisor is entitled to rely regarding decisions involving the franchise.

20.4. Franchisor's Disclosure to Transferee

Franchisor has the right, without liability to Franchisee of any kind or nature whatsoever to make available for inspection by any intended transferee of Franchisee, or of an interest in Franchisee or in the Franchised The Wellness Way Clinic or this Agreement, all or any part of Franchisor's records relating to this Agreement, the Franchised The Wellness Way Clinic or to the history of the relationship of the parties hereto. Franchisee hereby specifically consents to such disclosure by Franchisor and releases and holds Franchisor harmless from and against any claim, loss or injury resulting from an inspection of Franchisor's records relating to Franchisee or the Franchised The Wellness Way Clinic by an intended transferee identified by Franchisee.

20.5. For-Sale Marketing

Franchisee shall not, without prior written consent of Franchisor, place in, on or upon the location of the Franchised The Wellness Way Clinic, or in any communication media, any form of marketing relating to the sale of the Franchised The Wellness Way Clinic or the rights granted hereunder.

20.6. Transfer by Death or Incapacity

Upon the death or Incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time, typically within ninety (90) days following such event, transfer such individual's interest in the Franchised The Wellness Way Clinic or in Franchisee to a third party approved by Franchisor. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement, unless prohibited by the laws of the state wherein such deceased or incapacitated person resided, with such choice of law provision being applicable only for this Section 20.6. During such one ninety (90) day period, the Franchised The Wellness Way Clinic must remain at all times under the primary management of a Designated Managing Chiropractor and Designated Office Manager who otherwise meets Franchisor's management qualifications.

Following such a death or Incapacity as described in this Section 20.6, if necessary in Franchisor's discretion, Franchisor shall have the right, but not the obligation, to assume operation of the Franchised The Wellness Way Clinic until the deceased or incapacitated owner's interest is transferred to a third party approved by Franchisor. Franchisor may charge a management fee as stated in the Confidential Operations Manual from time to time, currently equal to fifty percent of the Gross Revenues, plus reimbursement of any expenses it incurs.

21. OPTION TO BUY / RIGHT OF FIRST REFUSAL

21.1. Submission of Offer

If Franchisee, or any of its owners, proposes to sell or otherwise transfer (including a transfer by death or Incapacity pursuant to Section 20.6) the Franchised The Wellness Way Clinic (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any interest in the Franchise granted hereunder, Franchisee shall obtain and deliver to Franchisor a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence

materials. The offer must apply only to an approved sale of the assets or interests mentioned above and may not include any other property or rights of Franchisee or any of its owners.

21.2. Franchisor's Right to Purchase

Franchisor shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to Franchisee, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to Franchisee. Franchisor has the right to substitute cash for the fair market value of any other form of payment proposed in such offer. Franchisor's credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to Franchisee of Franchisor's intent to exercise this right of first refusal, Franchisor shall have up to sixty (60) days to close the purchase. Franchisor shall be entitled to receive from Franchisee all customary representations and warranties given by Franchisee as the seller of the assets or such ownership interest or, at Franchisor's election, the representations and warranties contained in the proposal.

21.3. Non-Exercise of Right of First Refusal

If Franchisor does not exercise its right of first refusal within thirty (30) days from the date of delivery of all such documents, the offer or proposal may be accepted by Franchisee or its owner or owners, as the case may be, subject to Franchisor's prior written approval as required by Section 20. Should the sale be terminated or fail to close within one hundred twenty (120) days after the offer is delivered to Franchisor, Franchisor's right of first refusal shall renew and be implemented in accordance with this Section.

21.4. Buyback

In addition to the rights set forth above, Franchisor shall have the right, in its sole discretion, to purchase your Franchised The Wellness Way Clinic, at any time by providing notice to you as set forth in this section, pursuant to an Asset Sale for the greater of \$100,000 or four (4) times the EBITDA of your Franchised The Wellness Way Clinic over the previous twelve (12) months, or such shorter time as your Franchised The Wellness Way Clinic may have been in operation. You understand that this is a premium price above fair value and does not vest any rights in you. The EBITDA of your Franchised The Wellness Way Clinic shall be determined by a certified public accountant selected by us after such accountant has reviewed your books and records prepared according to our standard chart of accounts. Our Buyback rights may be exercised by providing written notice to you of our intent to exercise our Buyback rights, which notice shall include a list of financial reporting to be submitted and the identification of our designated certified public accountant. Following our notice of intent, you must submit all requested information to our designated certified public accountant within thirty (30) days. Following receipt of the EBITDA determination, we will have five (5) business days within which we may withdraw or notice of intent to buyback without penalty. If we do not withdraw, we will close on the purchase and transfer the Buyback purchase price to you within thirty (30) days of the designated certified public accountant's determination of the EBITDA for your Franchised The Wellness Way Clinic. As a part of the Closing, we will assume the lease for your Franchised The Wellness Way Clinic pursuant to the terms and conditions set forth in the lease rider attached hereto as **Exhibit 11**, and you will convey all assets free and clear of all encumbrances, with the parties making standard representations and warranties. You will indemnify us for all obligations of the Franchised The Wellness Way Clinic arising out of operations of the Franchised The Wellness Way Clinic through closing, and we will indemnify you for all obligations arising out of operations of the business post-closing.

22. RELATIONSHIP OF FRANCHISOR AND FRANCHISEE

22.1. Beneficial Owners of Franchisee

Franchisee represents, and Franchisor enters into this Agreement in reliance upon such representation, that the individuals identified in **Exhibit 4** are the sole holders of a legal or beneficial interest (in the stated percentages) of Franchisee.

22.2. Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make Franchisee an agent, legal representative, joint venturer, partner, employee, or servant of Franchisor for any purpose whatsoever. Franchisee may not represent or imply to third parties that Franchisee is an agent of Franchisor, and Franchisee is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor, or to create any obligation, express or implied, on Franchisor's behalf. During the term of this Agreement, and any extension or renewal hereof, Franchisee shall hold itself out to the public only as a franchisee and an owner of the Franchised The Wellness Way Clinic operating the Franchised The Wellness Way Clinic pursuant to a franchise from Franchisor. Franchisee shall take such affirmative action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place on the Approved Location and on all email forms, stationery or other written materials, the content of which Franchisor has the right to specify. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, or any other obligation of Franchisee. Franchisor shall in no way be responsible for any injuries to persons or property resulting from the operation of the Franchised The Wellness Way Clinic. Any third party contractors and vendors retained by Franchisee to convert or construct the premises or to provide goods or services to Franchisee are independent contractors of Franchisee alone.

22.3. Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires Franchisee to obtain Franchisor's written consent or permits Franchisee to take any action or refrain from taking any action, Franchisor is free to act in its own self-interest without any obligation to act reasonably, to consider the impact on Franchisee or to act subject to any other standard of care limiting Franchisor's right, except as may be provided by statute or regulation.

23. INDEMNIFICATION

WE WILL NOT ASSUME ANY LIABILITY OR BE DEEMED LIABLE FOR ANY AGREEMENTS, REPRESENTATIONS, OR WARRANTIES YOU MAKE THAT ARE NOT EXPRESSLY AUTHORIZED UNDER THIS AGREEMENT, NOR WILL WE BE OBLIGATED FOR ANY DAMAGES TO ANY PERSON OR PROPERTY DIRECTLY OR INDIRECTLY ARISING OUT OF THE OPERATION OF THE BUSINESS YOU CONDUCT PURSUANT TO THIS AGREEMENT, WHETHER OR NOT CAUSED BY EITHER PARTY'S NEGLIGENT OR WILLFUL ACTION OR FAILURE TO ACT. WE WILL HAVE

NO LIABILITY FOR ANY SALES, USE, EXCISE, INCOME, GROSS RECEIPTS, PROPERTY, OR OTHER TAXES LEVIED AGAINST YOU OR YOUR ASSETS OR ON THE WELLNESS WAY IN CONNECTION WITH THE BUSINESS YOU CONDUCT, OR ANY PAYMENTS YOU MAKE TO THE WELLNESS WAY PURSUANT TO THIS AGREEMENT OR ANY FRANCHISE AGREEMENT (EXCEPT FOR THE WELLNESS WAY'S OWN INCOME TAXES). WE ARE NOT A JOINT EMPLOYER OF YOUR EMPLOYEES AND WILL HAVE NO LIABILITY FOR ANY OBLIGATIONS YOU OWE TO YOUR EMPLOYEES OR FOR ANY OF YOUR EMPLOYMENT PRACTICES, INCLUDING BUT NOT LIMITED TO ANY VIOLATIONS OF STATE OR FEDERAL LABOR AND EMPLOYMENT LAWS OR LICENSING LAWS. YOU ARE SOLELY RESPONSIBLE FOR MAINTAINING THE CONFIDENTIALITY OF PERSONALLY IDENTIFIABLE INFORMATION OF CUSTOMERS AND EMPLOYEES OF YOUR FRANCHISED THE WELLNESS WAY CLINIC AND WE WILL HAVE NO LIABILITY FOR ANY BREACHES OF SECURITY. YOU WILL PROVIDE THE WELLNESS WAY TIMELY NOTICE OF CUSTOMER AND EMPLOYEE CLAIMS AND SUBMISSIONS TO YOUR INSURANCE CARRIERS. **YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD HARMLESS US, OUR AFFILIATES AND PARENT, AND US AND OUR AFFILIATES' AND PARENT'S RESPECTIVE SHAREHOLDERS, MEMBERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SUCCESSORS, AND ASSIGNEES (THE "INDEMNIFIED PARTIES") AGAINST, AND TO REIMBURSE ANY ONE OR MORE OF THE INDEMNIFIED PARTIES FOR, ALL CLAIMS, OBLIGATIONS, AND DAMAGES DIRECTLY OR INDIRECTLY ARISING OUT OF YOUR CLINIC'S OPERATION, THE BUSINESS YOU CONDUCT UNDER THIS AGREEMENT, OR YOUR BREACH OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, THOSE ALLEGED TO BE CAUSED BY THE INDEMNIFIED PARTY'S NEGLIGENCE, UNLESS (AND THEN ONLY TO THE EXTENT THAT) THE CLAIMS, OBLIGATIONS, OR DAMAGES ARE DETERMINED TO BE CAUSED SOLELY BY THE INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT IN A FINAL, UNAPPEALABLE RULING ISSUED BY A COURT WITH COMPETENT JURISDICTION. FOR PURPOSES OF THIS INDEMNIFICATION, "CLAIMS" INCLUDE ALL OBLIGATIONS, DAMAGES (ACTUAL, CONSEQUENTIAL, OR OTHERWISE), AND COSTS THAT ANY INDEMNIFIED PARTY REASONABLY INCURS IN DEFENDING ANY CLAIM AGAINST IT, INCLUDING, WITHOUT LIMITATION, REASONABLE ACCOUNTANTS',**

ARBITRATORS', ATTORNEYS', AND EXPERT WITNESSES' FEES, COSTS OF INVESTIGATION AND PROOF OF FACTS, COURT COSTS, TRAVEL AND LIVING EXPENSES, AND OTHER EXPENSES OF LITIGATION, ARBITRATION, OR ALTERNATIVE DISPUTE RESOLUTION, REGARDLESS OF WHETHER LITIGATION, ARBITRATION, OR ALTERNATIVE DISPUTE RESOLUTION IS COMMENCED. EACH INDEMNIFIED PARTY MAY DEFEND ANY CLAIM AGAINST IT AT YOUR EXPENSE AND AGREE TO SETTLEMENTS OR TAKE ANY OTHER REMEDIAL, CORRECTIVE, OR OTHER ACTIONS. THIS INDEMNITY WILL CONTINUE IN FULL FORCE AND EFFECT SUBSEQUENT TO AND NOTWITHSTANDING THIS AGREEMENT'S EXPIRATION OR TERMINATION. AN INDEMNIFIED PARTY NEED NOT SEEK RECOVERY FROM ANY INSURER OR OTHER THIRD PARTY, OR OTHERWISE MITIGATE ITS LOSSES AND EXPENSES, IN ORDER TO MAINTAIN AND RECOVER FULLY A CLAIM AGAINST YOU UNDER THIS SECTION. YOU AGREE THAT A FAILURE TO PURSUE A RECOVERY OR MITIGATE A LOSS WILL NOT REDUCE OR ALTER THE AMOUNTS THAT AN INDEMNIFIED PARTY MAY RECOVER FROM YOU UNDER THIS SECTION. NOTHING HEREIN SHALL BE DEEMED TO IMPOSE ON FRANCHISEE A DUTY TO INDEMNIFY THE WELLNESS WAY FOR ACTIONS OF THE WELLNESS WAY WHICH VIOLATE ITS OBLIGATIONS TO THE FRANCHISEE HEREUNDER.

23.1. Right to Retain Counsel

Franchisee shall give Franchisor immediate notice of any such action, suit, demand, claim, investigation or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnitee. Franchisor has the right to retain counsel of its own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, Franchisor's reputation or the goodwill of others, Franchisor has the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in Franchisor's sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If Franchisor's exercise of its rights under this Section causes any of Franchisee's insurers to refuse to pay a third party claim, all causes of action and legal remedies Franchisee might have against such insurer shall automatically be assigned to Franchisor without the need for any further action on either party's part. Under no circumstances shall Franchisor be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against Franchisee. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by Franchisor from Franchisee.

24. GENERAL CONDITIONS AND PROVISIONS

24.1. No Waiver

No failure of Franchisor to exercise any power reserved to it hereunder, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of Franchisor's right to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular obligation of or default by Franchisee shall not be binding unless in writing and executed by Franchisor and shall not affect nor impair Franchisor's right with respect to any other obligation or subsequent default of the same or of a different nature. Subsequent acceptance by Franchisor of any payment(s) due 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.

24.2. Injunctive Relief

Nothing in this agreement bars The Wellness Way's right to obtain specific performance of the provisions of this agreement and injunctive relief against threatened conduct that will cause Us, the Marks, and/or the system loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby). You agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly.

24.3. Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Certified Mail, return receipt requested, postage prepaid. Either party may change its address by a written notice sent in accordance with this Section 24.3. All notices, payments and reports required by this Agreement shall be sent to Franchisor at the following address:

The Wellness Way Franchise LLC
Attn: Nicole Seidel
2525 W Mason Street
Green Bay, WI 54303
nseidel@thewellnessway.com

With a Copy to:

Mary M. Clapp, Esq.
2409 Lakewood Ranch Blvd. N., Unit 2219

24.4. Cost of Enforcement or Defense

In any action for the collection of fees due under this Agreement or seeking injunctive relief, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

24.5. Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in Franchisee of five percent (5%) or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as **Exhibit 3**, through which such holders agree to assume and discharge all of Franchisee's obligations under this Agreement and to be personally liable hereunder for all of the same.

24.6. Approvals

Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor for such approval, and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

24.7. Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Franchisee. Franchisee acknowledges that Franchisee is entering into this Agreement as a result of its own independent investigation of the Franchised The Wellness Way Clinic and not as a result of any representations about Franchisor made by its shareholders, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus or other similar document given to Franchisee pursuant to applicable law.

24.8. Severability and Modification

Except as noted below, each paragraph, part, term and provision of this Agreement shall be considered severable. If any paragraph, part, term or provision herein is ruled to be unenforceable or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If Franchisor determines that a finding of invalidity adversely affects the basic consideration to be received by Franchisor under this Agreement, Franchisor has the right to, at its option, terminate this Agreement.

Notwithstanding the above, each of the covenants contained in Sections 8 and 19 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable or invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent permitted by law.

If any lawful requirement or court order of any jurisdiction 1) requires a greater advance notice of the termination or non-renewal of this agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or 2) makes any provision of this agreement or any specification, standard, or operating procedure we prescribed invalid or unenforceable, the advance notice and/or other action required or revision of the specification, standard, or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provision enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

24.9. Construction

All captions herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

24.10. Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable or responsible for any delays due to casualties, acts of God, war, terrorism, governmental regulation or control or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement.

24.11. Timing

Time is of the essence. Except as set forth in Section 24.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

24.12. Withholding Payments

Franchisee shall not, for any reason, withhold payment of any Administration and Processing Fees or other amounts due to Franchisor or to an Affiliate. Franchisee shall not withhold or offset any amounts, damages or other monies allegedly due to Franchisee against any amounts due to Franchisor. No endorsement or statement on any payment for less than the full amount due to Franchisor will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and Franchisor has the right to accept and cash any such payment without prejudice to Franchisor's right to recover the full amount due or pursue any other remedy provided in this Agreement or by law. Franchisor has the right to apply any payments made by Franchisee against any of Franchisee's past due indebtedness as Franchisor deems appropriate. Franchisor shall set off sums Franchisor owes to Franchisee against any unpaid debts owed by Franchisee to Franchisor.

24.13. Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

24.14. Third-Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

24.15. Multiple Originals

Both parties may execute multiple copies of this Agreement and may execute this Agreement in counterparts, and each executed copy will be deemed an original. Signatures transmitted and received via email, electronic signature program, or other agreed electronic transmission are true and valid signatures for all purposes hereunder and shall bind the parties to the same extent as that of an original signature.

25. DISPUTE RESOLUTION

25.1. Choice of Law

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946, the Defend Trade Secrets Act, or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the state of Wisconsin (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration. References to any law refer also to any successor laws and to any published regulations for such law as in effect at the relevant time. References to a governmental agency also refer to any regulatory body that succeeds the function of such agency.

25.2. Consent to Jurisdiction

Any action brought by either party, except those claims required to be submitted to arbitration, shall only be brought in the appropriate court located in or serving Brown County, Wisconsin, forsaking all other forums. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by either party in Brown County, Wisconsin. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

25.3. Cumulative Rights and Remedies

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 in addition to every other right or remedy. Nothing contained

herein shall bar Franchisor's right to obtain injunctive relief against threatened conduct that may cause it loss or damages, including obtaining restraining orders and preliminary and permanent injunctions.

25.4. Limitations of Claims

Any claim concerning the Franchised The Wellness Way Clinic or this Agreement or any related agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim. Any proceeding will be conducted on an individual, not a class wide basis and a proceeding between The Wellness Way and you or your owners may not be consolidated with another proceeding between The Wellness Way and any other person or entity, nor may any claims of another party or parties be joined with any claims asserted in any action or proceeding between The Wellness Way and you. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

25.5. Limitation of Damages

Franchisee and Franchisor each waive, to the fullest extent permitted by law, any right or claim for any punitive or exemplary damages against the other and agree that if there is a dispute with the other, each will be limited to the recovery of actual damages sustained by it including reasonable accounting and legal fees as provided in Section 24.4. Franchisee waives and disclaims any right to consequential damages in any action or claim against Franchisor concerning this Agreement or any related agreement. In any claim or action brought by Franchisee against Franchisor concerning this Agreement, Franchisee's contract damages shall not exceed and shall be limited to refund of Franchisee's Franchise Fee and Administration and Processing Fees.

25.6. Waiver of Jury Trial

FRANCHISEE AND FRANCHISOR EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

25.7. Arbitration

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. All disputes arising out of or relating to this Agreement or to the acquisition or operation of the franchise or any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in Brown County, Wisconsin, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by a court of competent jurisdiction located in Brown County, Wisconsin. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration.

Franchisee acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

25.8. Mediation Condition Precedent

As a condition precedent to filing any action for arbitration, the Parties agree that all disputes, claims and disagreements which are subject to arbitration and which they are not able to resolve after negotiating in good faith shall be mediated by non-binding, mandatory mediation. The complaining Party must provide written notice to the other Party describing the nature of the dispute. The Parties shall then agree on a mediator within ten (10) days. If the parties are unable to agree on a mediator, the mediator shall be appointed in accordance with the Commercial Mediation Rules and Regulations of the American Arbitration Association. Mediation may be held via web meeting or telephone or in Brown County, Wisconsin and shall be held within thirty (30) days after a mediator has been selected or appointed.

25.9. Injunctive Relief

Notwithstanding the foregoing requirements to arbitrate all disputes and the mediation condition precedent, either party may pursue injunctive relief as appropriate, without first engaging in mediation, to enforce any provisions of this Agreement to prevent ongoing harm.

26. ACKNOWLEDGMENTS

26.1. Receipt of this Agreement and the Franchise Disclosure Document

Franchisee represents and acknowledges that it has received, read and understands this Agreement and Franchisor's Franchise Disclosure Document; and that Franchisor has accorded Franchisee ample time and opportunity to consult with advisors of its own choosing about the potential benefits and risks of entering into this Agreement. Franchisee represents and acknowledges that it has received, at least fourteen (14) calendar-days prior to the date on which this Agreement was executed, Franchisor's Franchise Disclosure Document.

26.2. Consultation by Franchisee

Franchisee represents that it has been urged to consult with its own advisors with respect to the legal, financial and other aspects of this Agreement, the business franchised hereby and the prospects for that business. Franchisee represents that it has either consulted with such advisors or has deliberately declined to do so.

26.3. True and Accurate Information

Franchisee represents that all information set forth in any and all applications, financial statements and other submissions to Franchisor is true, complete and accurate in all respects, and Franchisee acknowledges that Franchisor is relying upon the truthfulness, completeness and accuracy of such information.

26.4. Risk

Franchisee represents that it has conducted an independent investigation of the business contemplated by this Agreement and acknowledges that, like an investment in any other business, an investment in The Wellness Way Clinic involves business risks and that the success of the venture is dependent, among other factors, upon the business abilities and efforts of Franchisee. Franchisor makes no representations or warranties, express or implied, in this Agreement or otherwise, as to the potential success of the business venture contemplated hereby.

26.5. No Guarantee of Success

Franchisee represents and acknowledges that it has not received or relied on any guarantee, express or implied, as to the revenues, profits or likelihood of success of the Franchised The Wellness Way Clinic. Franchisee represents and acknowledges that there have been no representations by Franchisor’s officers, directors, employees or agents that are not contained in, or are inconsistent with, the statements made in the Franchise Disclosure Document or this Agreement.

26.6. No Violation of Other Agreements

Franchisee represents that its execution of this Agreement will not violate any other agreement or commitment to which Franchisee or any holder of a legal or beneficial interest in Franchisee is a party.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this The Wellness Way Franchise Agreement.

THE WELLNESS WAY FRANCHISE LLC

By: _____

Name printed: _____

Title: _____

FRANCHISEE: _____
(type/print entity name)

By: _____

Name: _____

Title: _____

[or, if an individual]

Signed: _____

Name printed: _____

EXHIBIT 1 TO THE FRANCHISE AGREEMENT

GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this _____ (“Effective Date”) by _____, (“RELEASOR”) an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by The Wellness Way Franchise LLC, a Wisconsin limited liability company (“RELEASEE”), of a successor Franchise Agreement or other renewal documents renewing the franchise (the “Franchise”) granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the “Franchise Agreement”) between RELEASOR and RELEASEE; or

_____ RELEASEE’S consent to RELEASOR’S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE’S consent to RELEASOR’S assumption of rights and duties under the Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE’S officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE’S successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR’S heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances.

This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

(if an entity)
RELEASOR: _____

(type/print entity name)

By: _____

(sign)

Name: _____

(or, if an individual)

Signed: _____

Name printed: _____

Title: _____

EXHIBIT 2 TO THE FRANCHISE AGREEMENT

NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This "Agreement" made as of the _____ ("Effective Date") is by and between _____, ("Franchisee") (d/b/a The Wellness Way Clinic) and _____ ("Individual").

W I T N E S S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("Franchise Agreement") by and between Franchisee and The Wellness Way Franchise LLC ("Company"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) that offers or provides (or grants franchises or licenses to others to operate a business that offers or provides) chiropractic or wellness services the same as or similar to those provided by Franchisee or (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "Competitive Business"); provided, however, that the term "Competitive Business" shall not apply to any business operated under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

a) For the purposes of this Agreement, a "Trade Secret" is information in any form (including, but not limited to, materials and techniques, technical and non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Wellness Way Clinic that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

b) For the purposes of this Agreement "Confidential Information" means technical and non-technical information used in or related to Wellness Way Clinics and not commonly known by or available to the public, including, without limitation, Operations Manuals, The Wellness Way University, Training Programs, TWW System Software, Procedures of Operations, Vendors and Suppliers, knowledge of sources of products sold, knowledge of sales and profit performance of one or more The Wellness Way Clinics, methods, techniques, formats, specifications, procedures, information, systems and knowledge of

and experience in the development, operation, and franchising of chiropractic and wellness businesses, any log-in or password information used to access other Confidential Information or the franchise systems, software, and sites, Trade Secrets, and any other information identified or labeled as confidential when delivered by Franchisor. Confidential Information shall not include, however, any information that: (a) is now or subsequently becomes generally available to the public through no fault of Individual; (b) Individual demonstrates was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement or any other agreement with Franchisee, Franchisor or their Affiliates; (c) Individual demonstrates is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

c) Any information expressly designated by Company or Franchisee as “Trade Secrets” or “Confidential Information” shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee’s providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

a) Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets. Each and every individual who will access Franchisor’s Confidential Information and/or any site, program or system hosted, provided or maintained by or for Franchisor must have an individual log-in and password issued for such person to access such Confidential Information, site, program or system. No log-in or password may be issued or provided unless and until this Nondisclosure and Non-Competition Agreement has been executed by such individual and provided to Us. It shall be a material default of this Agreement for the undersigned to provide access in violation of this provision or to share any log-in or password access to such Confidential Information, site, program or system.

b) Individual’s obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual’s relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual’s obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Wellness Way Clinic.

3. Non-Competition

a) During the term of Individual’s relationship with Franchisee or Company and for a period of three (3) years after the expiration or termination of Individual’s relationship with Franchisee, or Company regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, for the benefit of Individual or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, divert or attempt to divert any business or customer of Franchisee or Company to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to

the goodwill associated with (i) the Company's service mark "The Wellness Way" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with The Wellness Way Clinics or (ii) the Company's uniform standards, methods, procedures and specifications for the establishment and operation of The Wellness Way Clinics.

b) During the term of Individual's relationship with Franchisee or Company, Individual shall not, directly or indirectly, for the benefit of Individual or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business.

c) For a period of three (3) years after termination of Individual's relationship with Franchisee or Company, regardless of the cause of termination, Individual shall not, directly or indirectly, for the benefit of Individual or through, on behalf of or in conjunction with, any person, persons, partnership, corporation, limited liability company or other business entity, carry on, be engaged in or take part in, render services to, or own or share in the earnings of any Competitive Business located or operating (a) within a ten (10) mile radius of the Territory.

d) During the term of Individual's relationship with Franchisee or Company and for a period of three (3) years thereafter, regardless of the cause of termination, Individual shall not, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other The Wellness Way Clinic, auction company with whom The Wellness Way has a business relationship, to compete against, or terminate or modify his, her or its employment or business relationship with, Franchisee, Company or any other The Wellness Way Clinic.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including each restrictive covenant, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, an arbitrator or a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then such activity, time period or geographic restriction shall be reduced to the extent necessary to enable the arbitrator or court to enforce such restrictions to the fullest extent permitted under applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Waiver of Jury Trial

FRANCHISEE AND INDIVIDUAL EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

6. Arbitration

This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. All disputes arising out of or relating to this Agreement, or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in Brown County, Wisconsin, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by a court of competent jurisdiction located in Brown County, Wisconsin. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered

Return to FA TOC

by the arbitrator may be entered in any court having personal and subject matter jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration.

INDIVIDUAL acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Franchisor or any of Franchisor's agents or employees.

7. Mediation Condition Precedent

As a condition precedent to filing any action for arbitration, the Parties agree that all disputes, claims and disagreements which are subject to arbitration and which they are not able to resolve after negotiating in good faith shall be mediated by non-binding, mandatory mediation. The complaining Party must provide written notice to the other Party describing the nature of the dispute. The Parties shall then agree on a mediator within ten (10) days. If the parties are unable to agree on a mediator, the mediator shall be appointed in accordance with the Commercial Mediation Rules and Regulations of the American Arbitration Association. Mediation may be held via web meeting or telephone or in Brown County, Wisconsin and shall be held within thirty (30) days after a mediator has been selected or appointed.

8. Relief for Breaches of Confidentiality, Non-Solicitation and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, notwithstanding the foregoing requirements to arbitrate all disputes and the mediation condition precedent, either party may pursue injunctive relief as appropriate, without first engaging in mediation, to enforce any provisions of this Agreement to prevent ongoing harm. Franchisee and Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

9. Miscellaneous

a) This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the Individual and a duly authorized representative of Franchisee.

b) Any action brought by either party, shall only be brought in the appropriate state or federal court located in or serving Brown County, Wisconsin. The parties waive all objections to personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought where Franchisee is located. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

c) Individual agrees if any legal or arbitration proceedings are brought for the enforcement of this Agreement, in addition to any other relief to which the successful or prevailing party may be entitled, the successful or prevailing party shall be entitled to recover attorneys' fees, investigative fees, administrative fees billed by such party's attorneys, court costs and all expenses, including, without limitation, all fees, taxes, costs and expenses incident to arbitration, appellate, and post-judgment proceedings incurred by the successful or prevailing party in that action or proceeding.

Return to FA TOC

d) This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the terms hereof, including, for example, confidentiality and non-competition provisions contained herein.

e) The failure of either party to insist, in any one (1) or more instances, upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of the other party with respect thereto shall continue in full force and effect.

f) The paragraph headings in this Agreement are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

g) Subject to Section 4 above, in the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

h) This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

i) The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement of this Agreement by Franchisee or Company.

j) Except as otherwise expressly provided in this Agreement, no remedy conferred upon Franchisee or Company pursuant to this Agreement is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given pursuant to this Agreement or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power or remedy pursuant to this Agreement shall preclude any other or further exercise thereof.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD PARTY BENEFICIARY OF THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, the Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement.

Franchisee: _____	Individual: _____
Name & Title:	Name:

EXHIBIT 3 TO THE FRANCHISE AGREEMENT
UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS
(to be executed by every person with an ownership interest in the franchise and if such ownership interest is five percent (5%) or greater)

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ [Date], by _____ (collectively, "Guarantor").

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("Agreement") by The Wellness Way Franchise LLC ("Franchisor"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____ ("Franchisee") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's breach of any provision in the Agreement, including those relating to monetary obligations and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 7, 8 and 19 of the Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) its direct and immediate liability under this Guaranty shall be joint and several; (b) it shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any amendment or other modification of the Agreement by Franchisee and Franchisor, any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement.

Each of the undersigned agree that fulfillment of any and all of Franchisor's obligations written in the Franchise Agreement or this Guaranty, 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 our owners, officers, agents, representatives, nor any individuals associated with Franchisor shall be personally liable to you for any reason. This is an important part of this Guaranty. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in the Franchise Agreement or this Guaranty. Do not sign this Agreement if there is any question concerning its contents or any representations made.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of

Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising before or after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of where the Franchised The Wellness Way Clinic is located (without giving effect to principles of conflicts of law).

Guarantor hereby irrevocably consents and submits to the non-exclusive jurisdiction of the Courts of the State of Wisconsin and the United States District Court located in or serving Brown County, Wisconsin and waives any objection based on venue or forum non conveniens with respect to any action instituted therein arising under this Guaranty or any of the other franchising agreements or in any way connected with or related or incidental to the dealings of Guarantor and Franchisor in respect of this Guaranty or any of the other franchising agreements or the transactions related hereto or thereto, in each case whether now existing or hereafter arising and whether in contract, tort, equity or otherwise, and agrees that any dispute arising out of the relationship between Guarantor or Franchisee and Franchisor or the conduct of any such persons in connection with this Guaranty, the other franchising agreements or otherwise shall be heard only in the courts described above (except that Franchisor shall have the right to bring any action or proceeding against Guarantor or his or her property in the courts of any other jurisdiction which Franchisor deems necessary or appropriate in order to realize on any collateral at any time granted by Franchisee or Guarantor to Franchisor or to otherwise enforce its rights against Guarantor or his or her property).

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

GUARANTORS:

Guarantor Name	Guarantor Signature	Guarantor % of Ownership

**EXHIBIT 4 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OFFICERS; DIRECTORS**

ENTITY NAME: _____

STATE OF FORMATION: _____

FICTITIOUS NAME: The Wellness Way - _____

EIN: _____

STATE TAX ID _____

[ATTACH COPIES OF ARTICLES, d/b/a REG., EIN LETTER, AND BYLAWS OR OP. AGMT.]

Holders of Legal or Beneficial Interest:

Owner Name: _____
Position/Title: _____
Home Address: _____

Owner Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____ %
If Owner is entity, list beneficial Owners: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____ %
If Owner is entity, list beneficial Owners: _____

Owner Name: _____
Position/Title: _____
Home Address: _____

Owner Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____ %
If Owner is entity, list beneficial Owners: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____ %
If Owner is entity, list beneficial Owners: _____

Owner Name: _____
Position/Title: _____
Home Address: _____

Owner Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership: _____ %
If Owner is entity, list beneficial Owners: _____

Telephone No.: _____
E-mail address: _____
Percentage of ownership _____ %
If Owner is entity, list beneficial Owners: _____

Officers and Directors:

Name: _____
Position/Title: _____
Home Address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

Telephone No.: _____
E-mail address: _____

Name: _____
Position/Title: _____
Home Address: _____

Telephone No.: _____
E-mail address: _____

FRANCHISEE HEREBY DESIGNATES THE FOLLOWING INDIVIDUAL AS THE MANAGING OWNER, UPON WHOM FRANCHISOR IS ENTITLED TO RELY WITH RESPECT TO DECISIONS REGARDING THE FRANCHISE:

NAME: _____
ADDRESS: _____

TELEPHONE: _____
EMAIL: _____

FRANCHISEE HEREBY DESIGNATES THE FOLLOWING INDIVIDUAL AS THE MANAGING CHIROPRACTOR AND CERTIFIES THAT THE BELOW INDIVIDUAL IS LICENSED AND HAS THE AUTHORITY TO SUPERVISE ALL LICENSED PROFESSIONALS OFFERING CHIROPRACTIC OR MEDICAL SERVICES TO PATIENTS THROUGH FRANCHISEE'S CLINIC:

NAME: _____
ADDRESS: _____

TELEPHONE: _____
EMAIL: _____

FRANCHISEE HEREBY DESIGNATES THE FOLLOWING INDIVIDUAL AS THE OFFICE MANAGER FOR THE FRANCHISED THE WELLNESS WAY CLINIC:

NAME: _____
ADDRESS: _____

TELEPHONE: _____
EMAIL: _____

FRANCHISEE HEREBY DESIGNATES THE FOLLOWING INDIVIDUAL AS THE MARKETING COORDINATOR FOR THE FRANCHISED THE WELLNESS WAY CLINIC:

NAME: _____
ADDRESS: _____

TELEPHONE: _____
EMAIL: _____

EXHIBIT 5 TO THE FRANCHISE AGREEMENT

MULTI-STATE ADDENDA

**ADDENDUM TO THE FRANCHISE AGREEMENT
THE WELLNESS WAY**

FOR THE STATE OF CALIFORNIA

This Addendum to the Franchise Agreement is agreed to this _____
 (“Effective Date”) is by and between The Wellness Way Franchise LLC and _____
_____.

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the offering circular.

2. No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee’s investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

3. Section 4.1 of the Franchise Agreement and Item 5 of the FDD are amended to add the following:

- All Franchise Fees payable by California Franchisees will be deferred until the Franchisor has completed all of its pre-opening obligations and Franchisee is open for business and operational.

4. In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§31000-31516 and the California Franchise Relations Act, Cal. Bus. And Prof. Code §§20000-20043, the Franchise Agreement of The Wellness Way is amended as follows:

- The California Franchise Relations Act provides rights to Franchisee concerning termination or non-renewal of the Franchise Agreement, which may supersede provisions in the Franchise Agreement, specifically Sections 5.2 and 18.
- Section p, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 19.2 contains a covenant not to compete that extends beyond the expiration or termination of the Agreement; this covenant may not be enforceable under California Law.
- Paragraph 1 of this Addendum contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- Section 25.7 requires binding arbitration. The arbitration will occur at the forum indicated in Section 25.7, with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult 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 restricting venue to a forum outside of the State of California.

5. Neither We nor any person or franchise broker in Item 2 of the FDD 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. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The franchise agreement requires application of the laws of the state of Wisconsin. This provision may not be enforceable under California law.

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

8. You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

9. “The earnings claims figure(s) does (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 franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.”

10. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

11. We have a website: **www.thewellnessway.com** OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC: _____ Franchisee: _____

Sign: _____ Sign: _____

Print Name & Title: _____ Print Name & Title: _____

FOR THE STATE OF CONNECTICUT

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”) between The Wellness Way Franchise LLC and _____ (“Franchisee”) to amend and revise said Franchise Agreement as follows:

1. Section 4.1, “Franchise Fee,” is amended to delete the following:

- The Franchise Fee shall be deemed fully earned upon execution of this Agreement and is nonrefundable.

2. Section 8, “Training and Assistance,” is amended by the addition of the following language to the original language that appears therein:

- “The required training shall commence no more than sixty (60) days after execution of this Agreement.”

3. Section f, “Confidential Operations Manual,” is amended by the addition of the following language to the original language that appears therein:

- “Franchisor shall provide the Confidential Operations Manual to the Franchisee no later than thirty (30) days after execution of this Agreement.”

5. Each provision of this Addendum is effective only to the extent that the jurisdictional requirements of the Connecticut Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:

Franchisee: _____

Sign: _____

Sign: _____

Print Name & Title: _____

Print Name & Title: _____

FOR THE STATE OF HAWAII

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____.

1. In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Revised Statutes, Title 26, Chapter 482E *et seq.*, the Franchise Agreement for The Wellness Way is amended as follows:

- The Hawaii Franchise Investment Law provides rights to Franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Agreement, and more specifically Sections 5.2, 18 and 20.2 contain a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 4 and 18 require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise; such release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section p, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:

Franchisee: _____

Sign: _____

Sign: _____

Print Name & Title: _____

Print Name & Title: _____

FOR THE STATE OF ILLINOIS

This Addendum to the Franchise Agreement is agreed to this _____
 (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____
_____.

1. In recognition of the requirements of the Illinois Franchise Disclosure Act, 815 ILCS 705, the Franchise Agreement for The Wellness Way is amended as follows:

- Section 4.1 is amended to provide that payment of the initial franchise fee will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor’s financial condition.

- Sections 5.2 and 20.2 are amended to add:

No general release shall be required as a condition of renewal or transfer that is intended to require Franchisee to waive compliance with the Illinois Franchise Disclosure Act, 815 ILCS 705, or any other law of Illinois.

- Sections 18, 19 and 25 are amended to add:

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act (815 ILCS 705/19 and 705/20).

- Sections 25.1 and 25.2 are amended to add:

The Franchise Agreement shall be governed by Illinois law. Jurisdiction and venue for court litigations shall be in Illinois. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

- Section 25.4 is amended to add:

No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of three (3) years after the act or transaction constituting the violation upon which it is based, the expiration of one (1) year after Franchisee becomes aware of facts or circumstances reasonably indicating that the Franchisee may have a claim for relief in respect to conduct governed by the Act, or ninety (90) days after delivery to Franchisee of a written notice disclosing the violation, whichever shall first expire.

- Section 25.6 is deleted in its entirety.

2. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any Franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of this Act, nor shall it prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

Return to FA TOC

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

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).

IF YOU NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS. RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum to The Wellness Way Franchise Agreement for the State of Illinois, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:	Franchisee:_____
Sign: _____	Sign: _____
Print Name & Title:_____	Print Name & Title: _____

FOR THE STATE OF INDIANA

This Addendum to the Franchise Agreement is agreed to this _____
 (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____
_____.

1. In recognition of the requirements of the Indiana Deceptive Franchise Practices Law, IC 23-2.2.7 and the Indiana Franchise Disclosure Law, IC 23-2-2-2.5, the Franchise Agreement for The Wellness Way is amended as follows:

- Sections 4.2.8, 9.2, 18.2.3 and 18.2.6 do not provide for a prospective general release of claims against Franchisor that may be subject to the Indiana Deceptive Franchise Practices Law or the Indiana Franchise Disclosure Law.
- Section 18 is amended to prohibit unlawful unilateral termination of a Franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
- Section 19.2 is amended subject to Indiana Code 23-2-2.7-1(9) to provide that post-term non-competitor covenants shall have a geographical limitation of the territory granted to Franchisee.
- Section 23 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee’s reliance upon or use of procedures or products which were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 25.1 is amended to provide that, in the event of a conflict of law, the Indiana Franchise Disclosure Law, IC 23-2-2.5, and the Indiana Deceptive Franchise Practices Law will prevail.
- Section 25.2 is amended to provide that Franchisee may commence litigation in Indiana for any cause of action under Indiana law.
- Section 25.7 is amended to provide that arbitration between Franchisor and Franchisee, shall be conducted at a mutually agreed upon location.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Indiana Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC: _____ Franchisee: _____

Sign: _____ Sign: _____

Print Name & Title: _____ Print Name & Title: _____

FOR THE STATE OF MARYLAND

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____.

1. In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann., Bus. Reg. §§14-201-14-233, the Franchise Agreement for The Wellness Way is amended as follows:

- Sections 4.2.8, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal or transfer of the Franchise; such release shall exclude claims arising under the Maryland Franchise Registration and Disclosure Law.
- Section p, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section 25.1 requires that the Franchise be governed by the laws of the State of Wisconsin; however, in the event of a conflict of laws to the extent required by the Maryland Franchise Registration and Disclosure Law, the laws of the State of Maryland shall prevail.
- Sections 25.2 and 25.7 require mediation or arbitration to be conducted in the State of Wisconsin; the requirement shall not limit any rights Franchisee may have under the Maryland Franchise Registration and Disclosure Law to bring suit in the State of Maryland.
- Any Section of the Franchise Agreement requiring Franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing the Franchise 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.
- Section 25.4 is amended to the extent that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the Franchise.

2. Any portion of the Franchise Agreement which requires prospective franchisees to disclaim the occurrence and/or acknowledge the non-occurrence of acts would constitute a violation of the Maryland Franchise Registration and Disclosure Law. Any such representations 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.

3. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC: _____ Franchisee: _____

Sign: _____ Sign: _____

Print Name & Title: _____ Print Name & Title: _____

Return to FA TOC

FOR THE STATE OF MINNESOTA

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____.

1. In recognition of the Minnesota Franchise Law, Minn. Stat., Chapter 80C, Sections 80C.01 through 80C.22, and the Rules and Regulations promulgated pursuant thereto by the Minnesota Commission of Securities, Minnesota Rule 2860.4400, et. seq., the parties to the attached Franchise Agreement agree as follows:

- Sections 5 and 18 are amended to add that with respect to Franchises governed by Minnesota Law, Franchisor will comply with the Minnesota Franchise Law that requires, 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 the Agreement.
- Sections 4.2.8 , 9.2, 18.2.3 and 18.2.6 do not provide for a prospective general release of any claims against Franchisor that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
- Section 4.9 is amended to provide that pursuant to Minnesota Statute 604.113, the nonsufficient funds charge shall be thirty dollars (\$30).
- Section 7 is amended to add that as required by Minnesota Franchise Act, The Wellness Way Franchise LLC will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by The Wellness Way Franchise LLC, and so long as The Wellness Way Franchise LLC is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
- Section 25.4 is amended to state that any claim concerning the Franchised The Wellness Way Clinic or this Agreement or any related agreement will be barred unless an arbitration or an action for a claim that cannot be the subject of arbitration is commenced within three (3) years from the date on which Franchisee or Franchisor knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to or the claim.
- Section 25.5 is deleted in its entirety.
- Section 25.6 is deleted in its entirety.
- Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee’s rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. However, Franchisor may seek such relief through the court system with or without a bond as determined by a court. Minn. Rule Part 2860.4400J prohibits Franchisee from waiving its rights to a jury trial or waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. To the extent that the Franchise Agreement requires Franchisee to waive these rights, the Franchise Agreement will be considered amended to the extent necessary to comply with the Minnesota Rule.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum to The Wellness Way Franchise Agreement for the State of Minnesota, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:

Franchisee: _____

Sign: _____

Sign: _____

Print Name & Title: _____

Print Name & Title: _____

FOR THE STATE OF NEW YORK

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____

1. In recognition of the requirements of the General Business Laws of the State of New York, Article 33, §§ 680 through 695, the Franchise Agreement for The Wellness Way is amended as follows:

- Sections 4.2.8, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal or transfer; such release shall exclude claims arising under the General Business Laws.
- Under Section 20.1, Franchisor shall not transfer and assign its rights and obligations under the Franchise Agreement unless the transferee will be able to perform Franchisor’s obligations under the Franchise Agreement, in Franchisor’s good faith judgment, so long as it remains subject to the General Business Laws of the State of New York.
- Section 23 is amended to provide that Franchisee will not be required to indemnify Franchisor for any liability imposed upon Franchisor as a result of Franchisee’s reliance upon or use of procedures or products that were required by Franchisor, if such procedures or products were utilized by Franchisee in the manner required by Franchisor.
- Section 25.1 requires that the Franchise be governed by the laws of the state Franchisor’s principal business is then located, such a requirement will not be considered a waiver of any right conferred upon Franchisee by Article 33 of the General Business Laws.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the New York Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:
Sign: _____
Print Name & Title: _____

Franchisee: _____
Sign: _____
Print Name & Title: _____

FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 *et seq.* Such provisions in the Agreement are hereby amended as follows:

- Section 4.1 is amended to provide that payment of the initial franchise fee will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.
- Sections 5.2(i), 20.2(c), and 20.2(g) are amended to delete the requirement for the execution of a general release upon renewal or transfer of Franchises purchased in North Dakota.
- Section 8 is amended to add that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys’ fees.
- Section 19.2 is amended to add that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- Section 19.6 is deleted in its entirety.
- Section 24.4 is amended to state:

If Franchisor or Franchisee is required to enforce this Agreement via judicial or arbitration proceedings, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and legal fees in connection with such proceeding.

- Section 25.1 is amended to state that in the event of a conflict of laws, North Dakota Law shall prevail.
- Section 25.2 is amended to add that any action may be brought in the appropriate state or federal court in North Dakota with respect to claims under North Dakota Law.
- Section 25.4 is amended to state that the statute of limitations under North Dakota Law shall apply.
- Sections 25.5 and 25.6 are deleted in their entireties.
- Sections 25.7 and 25.8 are amended to state that mediation and/or arbitration involving a Franchise purchased in North Dakota must be held either in a location mutually agreed upon prior to the mediation and/or arbitration, which may not be remote from Franchisee’s place of business.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:

Franchisee: _____

Sign: _____

Sign: _____

Print Name & Title: _____

Print Name & Title: _____

FOR THE STATE OF RHODE ISLAND

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____
_____.

1. In recognition of the requirements of The Rhode Island Franchise Investment Act §19-28.1-14, the Franchise Agreement for The Wellness Way is amended as follows:
 - Sections 4.2.8, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal or transfer; such release shall exclude claims arising under The Rhode Island Franchise Investment Act.
 - Sections 25.1, 25.2 and 25.7 are amended to state that restricting jurisdiction or venue to a forum outside the State of Rhode Island or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under The Rhode Island Franchise Investment Act.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Rhode Island Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:
Sign: _____
Print Name & Title: _____

Franchisee: _____
Sign: _____
Print Name & Title: _____

FOR THE COMMONWEALTH OF VIRGINIA

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____ to amend and revise said Franchise Agreement as follows:

- Section p, which terminates the Franchise Agreement upon the bankruptcy of Franchisee, may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).
- Section w of the Franchise Agreement will not be applicable to the Franchise Agreement signed by the Virginia franchisee entering into the attached agreement.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:

Franchisee: _____

Sign: _____

Sign: _____

Print Name & Title: _____

Print Name & Title: _____

FOR THE STATE OF WASHINGTON

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____

1. In recognition of the requirements of the Washington Franchise Investment Protection Act, Washington Rev. Code §§19.100.010 – 19.100.940, the Franchise Agreement for The Wellness Way is amended as follows:

- The Washington Franchise Investment Protection Act provides rights to Franchisee concerning non-renewal and termination of the Franchise Agreement. If the Agreement contains a provision that is inconsistent with the Act, the Act shall control.
- Sections 4.2.8, 18.2.3 and 18.2.6 require Franchisee to sign a general release as a condition of renewal or transfer; such release shall exclude claims arising under the Washington Franchise Investment Protection Act.
- Section 25.1 requires that the Franchise be governed by the laws of the State of Wisconsin; such a requirement may be unenforceable in the event of a conflict with the Washington Franchise Investment Protection Act. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
- Sections 25.2 and 25.7 require litigation or arbitration to be conducted in the State of Wisconsin; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.
- Provisions such as those that unreasonably restrict or limit the statute of limitations period for claims under the Act, or restrict or limit rights or remedies available to a franchisee under the Act, such as a waiver of the right to a jury trial, may not be enforceable.
- Transfer fees are collectable to the extent that they reflect Franchisor’s reasonable estimated or actual costs in effecting a transfer.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Washington Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC: _____ Franchisee: _____

Sign: _____ Sign: _____

Print Name & Title: _____ Print Name & Title: _____

Return to FA TOC

FOR THE STATE OF WISCONSIN

This Addendum to the Franchise Agreement is agreed to this _____ (“Effective Date”), is by and between The Wellness Way Franchise LLC and _____ to amend and revise said Franchise Agreement as follows:

1. The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Sec. 135.01-135.07 shall supersede any conflicting terms of the Franchise Agreement.

2. This provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the Wisconsin Fair Dealership Law applicable to the provisions are met independently of this Addendum. To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum, and understands and consents to be bound by all of its terms.

The Wellness Way Franchise LLC:

Franchisee: _____

Sign: _____

Sign: _____

Print Name & Title: _____

Print Name & Title: _____

EXHIBIT 6 TO FRANCHISE AGREEMENT

DE-IDENTIFICATION

1. Remove, Convey, and Deliver to The Wellness Way all signage and posters
2. Take all steps required to transfer all telephone numbers, online listings, social media pages and other means of contact or promotion for the franchised clinic to The Wellness Way
3. Remove, Convey, and Deliver to The Wellness Way all other items bearing the Marks.
4. Remove, Convey, and Deliver to The Wellness Way all Confidential Information.
5. Remove, Convey and Deliver to The Wellness Way all products acquired from Us or our affiliates, including without limitation all nutritional supplements.
6. Paint the facility with paint in a color other than the approved colors.

**EXHIBIT 7 to Wellness Way Franchise Agreement
Pre-Opening Certification**

I, _____, do hereby certify to The Wellness Way Franchise LLC (“TWW”) the following:

1. I understand that it is my responsibility to ensure that my The Wellness Way Clinic operates in accordance with all laws, rules, and regulations.

2. I understand that all licensed professionals providing services through my The Wellness Way Clinic must be supervised by a licensed chiropractor. I certify that the Designated Managing Chiropractor for my The Wellness Way Clinic is _____ and that he/she has authority to supervise all licensed professionals and is licensed in good standing in the State of _____.

3. I certify that all non-licensed staff members will be managed by _____.

4. I understand that I am solely responsible for my employees and that neither TWW nor any of its affiliates or agents exercises any control over my employees or my relationship with them. I will ensure that my business complies with all labor and employment laws.

5. I certify that all staff members have satisfactorily completed HIPAA privacy training and have signed a nondisclosure agreement (“NDA”), and I have provided a copy of the HIPAA certificates and NDA’s to TWW. I agree to ensure that all staff members hired after issuance of this certificate complete HIPAA training and sign a NDA.

6. I have obtained a consultation with the advisor(s) of my choice regarding the laws applicable to chiropractors and medical practitioners in my Area of Primary Responsibility and regarding steps I need to take to be in compliance with all laws applicable to my business.

7. I have ensured that any sample patient disclosures and forms conform to the laws of the state where my business is located.

8. I have completed The Wellness Way’s initial training program and have received adequate training.

9. I understand the legal requirements of operating The Wellness Way Clinic in my Territory.

10. I will use my best efforts to operate my The Wellness Way Clinic accordance with all The Wellness Way Operating requirements and all laws, rules, & regulations, which may require me to seek legal and accounting advice from time to time from my advisor(s) and which may require me to obtain additional training.

Franchisee

Guarantor

Name & Title _____

Name & Title _____

Date _____

Date _____

**EXHIBIT 8 TO FRANCHISE AGREEMENT
AUTHORIZATION AGREEMENT – PRE-ARRANGED PAYMENTS**

I (We) (Franchisee) authorize The Wellness Way Franchise LLC (The Wellness Way) to initiate debit entries and/or credit correction entries, electronic or otherwise, as authorized by the Franchise Agreement between Franchisee and The Wellness Way. Debit entries for all amounts owed by Franchisee to The Wellness Way pursuant to the Franchise Agreement are authorized by this Authorization Agreement and shall be made on such due dates as agreed in the Franchise Agreement or such other dates as Franchisee and The Wellness Way may agree upon from time to time. This authorization shall remain in full force and effect until terminated in writing by Franchisee pursuant to thirty (30) day notice. Franchisee shall provide The Wellness Way, in conjunction with this Authorization Agreement, a voided check from the below-referenced account.

Bank Name	
Branch Designation	
City, State, Zip	
ABA / Routing / Transit Number	
Account Number	
Franchisee Name on Account	
Franchisee Tax Identification Number	
Authorized Signatory on Account Printed Name	
Authorized Signatory on Account Signature	
Authorized Signatory on Account Contact Phone number and email	Phone: Email:

[ATTACH VOIDED CHECK FOR ACCOUNT VERIFICATION]

**EXHIBIT 9 TO THE WELLNESS WAY FRANCHISE AGREEMENT
ONLINE/SOCIAL MEDIA MARKETING PERMISSION REQUEST**

I, _____, hereby request that The Wellness Way Franchise LLC (“TWW”) establish pages/listings for my franchised business known as The Wellness Way - _____ on the below listed online pages/sites/platforms and authorize me to make postings on such platforms:

1. I hereby acknowledge and agree that TWW owns all rights to all online pages/sites/platforms regarding the franchised business, including without limitation all information, data, and/or reviews generated through the pages/sites/platforms. I agree to follow TWW’s instructions for establishing the pages/sites/platforms and/or transferring administrative rights to such pages/sites/platforms.

2. I agree to diligently monitor and update each platform.

3. I agree to promptly and courteously respond to any and all comments, concerns, questions, and/or postings made on each page/site/platform.

4. I agree that TWW has no obligation to but has the right to monitor, modify, and/or update the pages/sites/platforms.

1. I agree to comply with TWW’s marketing and social media policies as modified from time to time.

2. TWW may, but is not required to, specify from time to time in the Operations Manual certain online social media postings that, when made in accordance with the System Standards on these authorized platforms do not require pre-approval prior to posting. In all cases, The Wellness Way reserves the absolute right, at its sole discretion, to require removal or discontinuance of any posting or marketing.

3. I understand that TWW reserves the right to revoke approval for posting on any page/site/platform by providing written notice to me.

4. I certify to TWW that there are no websites, social media pages or other electronic media related to my franchised The Wellness Way Clinic or the services provided through my clinic, other than those for which I have obtained written permission from TWW.

Franchisee

**Approved by Franchisor:
THE WELLNESS WAY FRANCHISE LLC**

(signature)
Print Name & Title _____

(signature)
Print Name & Title _____

EXHIBIT 10 TO THE WELLNESS WAY FRANCHISE AGREEMENT
WELLNESS WAY ENTERPRISES SUPPLIER AGREEMENT

This **Supplier Agreement** ("**Agreement**") is made and entered into as of this _____ ("Effective Date"), by and between **Wellness Way Enterprises LLC**, a Wisconsin limited liability company with its principal place of business at 2525 W. Mason Street, Green Bay, WI 54303, ("**Supplier**"), and _____ **d/b/a The Wellness Way** - _____, a _____ with its principal place of business at _____, ("**Purchaser**").

WHEREAS, Supplier is a supplier of certain nutritional supplements and Wellness Way clinic equipment, marketing materials, and other supplies;

WHEREAS, Purchaser is a franchisee of The Wellness Way Franchise LLC, and Purchaser would like to purchase Supplier's products pursuant to the terms and conditions set forth herein.

NOW THEREFORE consideration of the mutual promises contained herein and other good and valuable consideration, the parties agree as follows:

1. Recitals. The above recitals are true and correct and are incorporated herein.
2. The Goods. The Goods being purchased are nutritional supplements and Wellness Way clinic equipment, marketing materials, posters, books, merchandise and other items bearing The Wellness Way Marks, and other supplies as may be offered by Supplier and ordered by Purchaser from time to time.
3. Orders. This Agreement does not pose any obligation on Purchaser to purchase any specified number of units, and such order requests may be placed from time to time. Upon receipt of an order from Purchaser, Purchaser shall immediately pay the purchase price together with all costs of shipping. All orders between the Parties shall be deemed to be made pursuant to the terms and conditions of this Agreement from the Effective Date through the Date of Termination. Supplier makes no guarantee that a particular good will be available at any particular time and agrees to promptly notify Purchaser in the event that a good ordered is unavailable.
4. Compensation. Pricing for the Goods is subject to change upon Supplier's posting of price changes on its online ordering platform. Purchaser shall pay the purchase price, together with all costs of shipping prior to shipment of the Goods. Supplier shall have no obligation to ship the Goods in the event Purchaser has not paid in full. Payment shall be made by Purchaser to Supplier via credit card or ACH at the time of order. Purchaser's submission of a purchase order shall be deemed authorization for Supplier to process a credit card payment for the purchase price and cost of shipping.
5. Delivery. Delivery shall be freight on board Supplier's place of business. Purchaser

may be responsible for all shipping costs, which shall be paid in full prior to shipment.

6. Inspection of Non-conforming Goods and Notice of Defect. Purchaser has the right to inspect the Goods within seventy-two (72) hours of receipt. If Purchaser's inspection indicates that all or a portion of the Goods are defective, Purchaser shall provide Supplier with written notice describing the defect and Purchaser's proposed resolution (the "Notice of Defect Claim"), which notice must be received by Supplier within seven (7) days of Purchaser's receipt of the Goods. The Notice of Defect Claim shall include photographic or video documentation of the defect. Supplier shall respond to any Notice of Defect Claim within 48 hours of receipt of such notice. Supplier shall, at Supplier's option, repair, replace, or refund all Goods found by Supplier to be defective. The Parties shall negotiate in good faith to resolve any Notice of Defect Claims made in accordance with this paragraph, and Purchaser shall take steps to preserve any evidence of defect. In the event, the Parties are not able to reach a resolution within seven (7) days of Supplier's receipt of the Notice of Defect Claim, the Parties agree that the Supplier may, in its discretion, arrange for return shipment of the Goods to Supplier. The Parties agree to utilize the dispute resolution procedures set forth in paragraph 16 of this Agreement with respect to any Notice of Defect Claim not resolved within seven (7) days. In the event that no Notice of Defect Claim is timely submitted, it shall be conclusively presumed that the Goods were received in good condition and without defect. THIS PROVISION IS EXPRESSLY MADE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

7. Disclaimer of Warranty. SUBJECT TO THE NOTICE OF DEFECT PROCEDURE SET FORTH IN PARAGRAPH 7 ABOVE, ALL GOODS ARE PROVIDED "AS IS," "WITH ALL FAULTS." SUPPLIER HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

8. Indemnification. Supplier will not assume any liability or be deemed liable for any agreements, representations, or warranties Purchaser makes that are not expressly authorized under this Agreement, nor will Supplier be obligated for any damages to any person or property directly or indirectly arising out of the operation of the business Purchaser conducts, whether or not caused by either party's negligent or willful action or failure to act. Supplier will have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied against Purchaser or Purchaser's assets or on Supplier in connection with the business Purchaser conducts, or any payments you make to Supplier pursuant to this Agreement (except for Supplier's own income taxes). **Purchaser agrees to indemnify, defend, and hold harmless Supplier, Supplier's affiliates, and Supplier's and its affiliates' respective shareholders, members, directors, officers, employees, agents, successors, and assignees (the "Indemnified Parties") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of Purchaser's business operation, Purchaser's utilization or resale of the Goods, or Purchaser's breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence,**

unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by Supplier's gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "claims" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witnesses' fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation, arbitration, or alternative dispute resolution, regardless of whether litigation, arbitration, or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this Section. Purchaser agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Purchaser under this Section.

9. Intellectual Property. The Parties acknowledge and agree that the Goods, the manufacturing process, and the recipe or formula for the Goods is Supplier's confidential, proprietary, trade secret information, and Purchaser acquires no intellectual property rights by virtue of any purchase with Supplier. Purchaser further agrees that its purchase of the Goods is for clinic use and retail resale distribution in the case of nutritional supplements and, in the case of Wellness Way posters and marketing materials, for use in marketing Purchaser's Franchised The Wellness Way Clinic. Purchaser acknowledges and agrees that Supplier retains the right to sell the Goods directly to consumers and others, in Supplier's sole discretion. The provisions in this paragraph shall survive the termination of this Agreement.

10. Restrictions on Purchaser's Use and Resale of Goods. Purchaser covenants and warrants the following:

- Purchaser will use and/or sell the Goods ONLY from the Approved Location of Purchaser's Franchised The Wellness Way Clinic;
- Purchaser will not sell or offer for sale the Goods through any website or online platform and expressly agrees that any online postings regarding any of the Goods will be in compliance with Purchaser's obligations under its Franchise Agreement with The Wellness Way Franchise LLC;
- Purchaser will only offer and sell the Goods for Supplier's suggested retail price unless Purchaser has obtained written approval from Supplier for an alternate resale price;
- Purchaser, its agents, employees, owners, officers, and directors will not make any attempts to reverse engineer or duplicate the Goods; and

- Purchaser its agents, employees, owners, officers, and directors will not provide the Goods to any other manufacturer for the purpose of analyzing, duplicating, or replacing the Goods.

11. Independent Contractor. Supplier and purchaser are independent contractors; and neither is an agent, servant, fiduciary, partner, joint venturer, employee or representative of the other. Neither Supplier nor Purchaser has any power or authority to bind the other in contract. Neither Purchaser nor Supplier is under the direct control or supervision of the other. The Parties agree not to represent to anyone that either of them has any power or authority to obligate the other to any obligation whatsoever or to act in any capacity whatsoever. Except as expressly authorized by this Agreement, neither Supplier nor Purchaser will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other.

12. Confidential Information. The Parties acknowledge that during the Term of this Agreement they may disclose to each other and/or develop certain confidential information, which is defined as (a) confidential and/or proprietary information and materials disclosed orally or in writing or developed during the term of this Agreement, which may include but shall not be limited to: proprietary information, technical data, trade secrets or know-how, including, but not limited to, data, concepts, files, layouts, artwork, models, patents, copyrights, documents, photographs, notes, research, product plans, products, services, customers, customer lists, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, litigation strategy, marketing, finances or other business information disclosed either directly or indirectly in writing, electronically, orally, visually, or by drawings or inspection of parts or equipment, or otherwise identified as being Confidential Information; and (b) any modifications or derivatives prepared by the Receiving Party that contain or are based upon any Confidential Information obtained from the Disclosing Party, including any analysis, reports, or summaries of the Confidential Information.

13. Limitations on Use. Unless the Disclosing Party expressly authorizes otherwise in writing in advance of such use, the Receiving Party must only use the Confidential Information in connection with performing the Services set forth in this Agreement and shall use reasonable efforts to maintain the confidentiality of the Confidential Information and avoid inadvertent disclosure. Under no circumstances shall Confidential Information be used with any third party desiring to offer similar services as Disclosing Party or the Company.

14. Non-Confidential Information. Nothing in this Agreement will prohibit or limit Receiving Party's use of information (including but not limited to intangible ideas, concepts, know-how, techniques, and methodologies) that is: (a) previously known to Receiving Party; (b) independently developed by the Receiving Party without the use of Confidential Information by any personnel, including but not limited to employees, agents, and independent contractors, that have not had access to the Confidential Information, as can be substantiated by reasonable evidence; (c) acquired by the Receiving Party from a third party which was not under an obligation to the Disclosing Party not to disclose such information; or (d) which is or becomes publicly available through no breach by the Receiving Party or the Receiving Party's personnel. In the event the Receiving Party has any questions

or concerns regarding whether something constitutes Confidential Information, the Receiving Party shall seek written clarification from Disclosing Party before disclosing or otherwise distributing said information.

15. Term. The term of this Agreement shall be identical to the term of the Franchise Agreement between Purchaser and The Wellness Way Franchise LLC. This Agreement shall automatically terminate upon the termination or expiration without renewal of Purchaser's Franchise Agreement with The Wellness Way Franchise LLC. In the event of termination of this Agreement, any pending orders shall be cancelled. Any provisions of this Agreement which, by their terms, impose obligations or duties beyond the term of this Agreement, including without limitation the obligations of Purchaser to respect the intellectual property of Supplier and maintain the confidentiality of all Confidential Information, shall survive termination or expiration of this Agreement.

16. Choice of Law. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946, the Defend Trade Secrets Act, or other federal law, this Agreement shall be governed by and construed in accordance with the laws of the state of Wisconsin (without reference to its conflict of laws principles). The Federal Arbitration Act shall govern all matters subject to arbitration.

17. Arbitration. This Agreement evidences a transaction involving commerce and, therefore, the Federal Arbitration Act, Title 9 of the United States Code is applicable to the subject matter contained herein. All disputes arising out of or relating to this Agreement or to the acquisition or operation of the franchise or any other agreements between the parties, or with regard to interpretation, formation or breach of this or any other agreement between the parties, shall be settled by binding arbitration conducted in Brown County, Wisconsin, in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator agreed upon by the parties or otherwise appointed by a court of competent jurisdiction located in Brown County, Wisconsin. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration.

Purchaser acknowledges that it has read the terms of this binding arbitration provision and affirms that this provision is entered into willingly and voluntarily and without any fraud, duress or undue influence on the part of Supplier or any of Supplier's agents or employees.

18. Mediation Condition Precedent. As a condition precedent to filing any action for arbitration, the Parties agree that all disputes, claims and disagreements which are subject to arbitration and which they are not able to resolve after negotiating in good faith shall be mediated by non-binding, mandatory mediation. The complaining Party must provide written notice to the other Party describing the nature of the dispute. The Parties shall then agree on a mediator within ten (10) days. If the parties

are unable to agree on a mediator, the mediator shall be appointed in accordance with the Commercial Mediation Rules and Regulations of the American Arbitration Association. Mediation may be held via web meeting or telephone or in Brown County, Wisconsin and shall be held within thirty (30) days after a mediator has been selected or appointed.

19. Injunctive Relief. Notwithstanding the foregoing requirements to arbitrate all disputes and the mediation condition precedent, either party may pursue injunctive relief as appropriate, without first engaging in mediation, to enforce any provisions of this Agreement to prevent ongoing harm.

20. Jurisdiction: Claims Not Subject to Arbitration. Any action brought by either party, except those claims required to be submitted to arbitration, shall only be brought solely in the appropriate court located in or serving Brown County, Wisconsin, forsaking all other forums. The parties waive all questions of personal jurisdiction or venue for the purposes of carrying out this provision. Claims for injunctive relief may be brought by either party in Brown County, Wisconsin. This exclusive choice of jurisdiction and venue provision shall not restrict the ability of the parties to confirm or enforce judgments or arbitration awards in any appropriate jurisdiction.

21. Dispute Resolution. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Wisconsin, United States of America, without reference to its principles of conflict of laws, except to the extent a Federal Law such as the Trade Secrets Act is applicable. The Parties agree to mediate any dispute arising out of this Agreement as a condition prerequisite to proceeding with arbitration or any legal action. Subject to the Notice of Defect Procedures and the mediation condition precedent, and in the event mediation is unsuccessful, any unresolved dispute between the Parties arising out of or relating to this Agreement shall be, pursuant to the Federal Arbitration Act, resolved exclusively by binding arbitration conducted in Green Bay, Wisconsin in accordance with the Commercial Rules of Arbitration of the American Arbitration Association. Each party hereby agrees to submit to arbitration and to cooperate with reasonable good faith diligence in the conduct of resolving all disputes arising hereunder or under any purchase order arising pursuant to this Agreement. Each party agrees to be finally bound for all purposes by the decision reached in arbitration, unless the contesting party can prove that the arbitration award was infected with fraud, misconduct or is manifestly contrary to law. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration. Each party agrees to submit to personal jurisdiction in the courts located in or serving Brown County, Wisconsin with respect to any proceeding to enforce an award in arbitration. Each party also agrees that venue in the courts located in or serving Brown County, Wisconsin is proper. Each party agrees not contest venue or personal jurisdiction in any matter involving the interpretation or enforcement of any award granted in any arbitration conducted in accordance with this Agreement. In any action for the collection of fees due under this Agreement or seeking injunctive relief, the prevailing party shall be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, in connection with such proceeding.

22. Limitation of Claims. Any claim arising from or related to this Agreement or any Good

purchased pursuant to this Agreement will be barred unless an action for a claim is commenced within one (1) year from the date on which Supplier or Purchaser knew or should have known, in the exercise of reasonable diligence, of the facts giving rise to the claim. Any proceeding will be conducted on an individual, not a class wide basis and a proceeding between Supplier and Purchaser and may not be consolidated with another proceeding between Supplier and any other person or entity, nor may any claims of another party or parties be joined with any claims asserted in any action or proceeding between Supplier and Purchaser. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

23. Waiver of Jury Trial. PURCHASER AND SUPPLIER EACH IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, WHETHER AT LAW OR EQUITY, BROUGHT BY EITHER OF THEM.

24. Waiver of Punitive and Consequential Damages. The Parties hereby waive 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 each other arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, that their 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.

25. Force Majeure. Neither party will be liable to the other for any delay or failure in performing its obligations under any accepted purchase order to the extent that such delay or failure is caused by an event or circumstance that is beyond the reasonable control of that party, without such party's fault or negligence, and which by its nature could not have been foreseen by such party or, if it could have been foreseen, was unavoidable, for example and not by way of without limitation, strikes, Acts of God, unavailability of materials or supplies, terrorism.

26. Confidentiality of this Agreement. The Parties expressly agree that, except for disclosures to their legal and accounting advisors and as may be required by law, the Parties shall keep the terms and conditions of this Agreement and all pricing strictly confidential.

27. Severability. If any provision in this Agreement shall be found or be held to be invalid or unenforceable in any jurisdiction in which this Agreement is being performed, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect. In such event, the parties shall negotiate, in good faith, a substitute, valid and enforceable provision which most nearly effects the parties' intent in entering into this Agreement.

28. No Waiver. The failure of either party to enforce at any time any of the provisions of this Agreement, or the failure to require at any time performance by the other party of any of the provisions of this Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the right of either party to enforce each and every such provision thereafter. The express waiver by either party of any provision, condition or requirement of this Agreement shall not constitute a waiver of any future obligation to comply with such provision, condition or requirement.

29. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each a "Notice") will be in writing and addressed to the Parties at their principal place of business designated above or such other address as shall have been provided by such party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees prepaid), or certified or registered mail (in each case, return receipt requested, postage prepaid). Provided, however, that electronic delivery of any Notice (e.g. email, facsimile) shall be effective provided that the receiving party acknowledges receipt.

30. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signature by electronic signature program or email scan is hereby authorized and shall have the same force and effect as an original.

INTENDING TO BE BOUND, the parties hereto have caused to be executed or executed this Supplier Agreement as of the day and year first above written.

WELLNESS WAY ENTERPRISE LLC

By: _____

Name printed: _____

Title: _____

PURCHASER: _____
(type/print entity name)

By: _____

Name: _____

Title: _____

EXHIBIT B TO SUPPLIER AGREEMENT
WELLNESS WAY ENTERPRISES LLC
Electronic Funds Authorization Agreement

I (We)(Purchaser) authorize Wellness Way Enterprises LLC (Supplier) to initiate debit entries and/or credit corrections entries, electronic or otherwise, as authorized by the Supplier Agreement between Purchaser and Supplier. Debit entries for all amounts owed by Purchaser to Supplier pursuant to the Supplier Agreement and any Purchase Order entered into in connection therewith are authorized by this Authorization Agreement and shall be made on such due dates as agreed in the Supplier Agreement or such other dates as Purchaser and Supplier may agree upon from time to time. This authorization shall remain in full force and effect until terminated in writing by Purchaser pursuant to thirty (30) day notice. If for any reason any scheduled payment is returned unpaid by Purchaser's bank, a \$50 per transaction inconvenience fee will be added to the current payment amount due.

Name of Authorized Signatory on Account

Signature

Date

Name and Address of Purchaser

Please choose one of the following options:

Please attach a cancelled check and provide the following information regarding the account.

Name on Account: _____

Depository/Bank Name: _____

Transit, Routing, or ABA Number: _____

Account Number: _____

Your Tax Identification Number: or
Identification Number from Bank: _____

[ATTACH VOIDED CHECK]

EXHIBIT 11 TO FRANCHISE AGREEMENT

FRANCHISE LEASE RIDER & STIPULATIONS

The Landlord and Tenant, defined in the chart below, agree that the provisions of this Franchise Lease Rider are incorporated into the Lease referenced in the chart below. To the extent of any conflict, the provisions of this Rider shall govern and control.

LEASE AGREEMENT DATED:	
LANDLORD:	
TENANT:	
PREMISES ADDRESS:	

1. Franchise Acknowledgement. Landlord acknowledges that Tenant intends to operate a Franchised The Wellness Way Clinic in the Premises, and that Tenant's rights to operate The Wellness Way Clinic and to use The Wellness Way name, trademarks and service marks are solely pursuant to a franchise agreement ("Franchise Agreement") between Tenant and The Wellness Way Franchise LLC ("Franchisor"). Tenant's operations at the Premises are independently owned and operated, and Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly assumes such obligations and takes actual possession of the Premises. The Leased Premises may only be used for the operation of a The Wellness Way clinic and for no other purpose, without the consent of Franchisor.

2. Tenant's Signage and Installations. Notwithstanding anything in the Lease contained to the contrary or in conflict, Landlord hereby grants and approves the following signage and/or installation rights:

- a. Landlord agrees to allow Tenant to use Franchisor's standard signage and painting packages to the maximum extent permitted by local governmental authorities.
- b. Tenant shall be provided, at Tenant's sole cost and expense, with a panel on any pylon/monument/directory sign for the development in which the Premises is located, and shall be permitted to install a standard sign thereon as approved by Franchisor, including without limitation Franchisor's logo.
- c. Landlord agrees to allow Tenant to install all items of Franchisor's 'trade dress' on the interior of the Premises, including but not limited to signage, specific paint colors, and floor covering that aligns with Franchisor's 'trade dress.' Tenant shall have the right to remodel, modify, paint and make installations in the interior of the leased premises as may be required by Franchisor from time to time, including without being liable under any continuous operation covenant.

- d. Landlord acknowledges that Tenant's use of the Premises requires Tenant to construct an Xray room with lead shielding pursuant to the manufacturer's instructions, and Landlord agrees that Tenant may make any modification to the Premises necessary to meet the Xray manufacturer's recommendations.

3. Notice and Cure Rights to Franchisor. Prior to exercising any remedies under the Lease (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant, and commencing upon receipt thereof by Franchisor, Franchisor shall have fifteen (15) additional days to the established cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (i) fifteen (15) days after Franchisor's receipt of such notice as to monetary defaults or (ii) thirty (30) days after Franchisor's receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. Landlord and Tenant further agree that the Lease may not be terminated, modified, or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent. Tenant, further, shall not assign or sublet the Premises without Franchisor's consent. The initial address for notices to Franchisor is as follows:

The Wellness Way Franchise LLC
Attn: Ross Skorzewski
2525 W Mason Street
Green Bay, WI 54303
ross@thewellnessway.com

With a Copy to:

Mary M. Clapp, Esq.
mary@delafan.com

4. Assignment. Tenant hereby assigns its rights under the lease to Franchisor, and Landlord hereby consents to such assignment subject to the following conditions: One of the following shall have occurred: (a) Tenant fails to timely cure a default under the lease; or (b) Tenant fails to exercise a renewal option under the Lease; or (c) Tenant fails to timely cure a default under the Franchise Agreement; and Franchisor sends written notice to Landlord that Franchisor is exercising its right to accept the assignment of Tenant's rights under the Lease; and Franchisor cures Tenant's default, as applicable, within ten (10) days of written notice of default to Franchisor; provided, however, any monetary default cure amount shall be limited to an amount equal to two months' Rent. Landlord acknowledges that by executing this Rider, Franchisor does not hereby assume any liability with respect to the Leased Premises or any obligation as Tenant under the Lease, unless and until Franchisor expressly assume such liability as described above. At any time following Franchisor's election to take an assignment of Tenant's rights under the Lease, Franchisor may, on written notice, assign the Lease or sublet the Leased Premises to an affiliate of Franchisor or a franchisee approved by Franchisor, without charge or penalty, so long as such assignee or sublessee meets Landlord's reasonable financial qualifications. Upon an assignment, Franchisor shall be

released from any further obligations under the Lease. Landlord agrees to execute written documentation confirming any such assignment and release.

5. Access to Protect the Franchise System. Franchisor may enter the leased premises to make any modifications or alterations necessary in Franchisor's sole discretion to protect The Wellness Way System and Marks, including without limitation, the right to remove any signage or items bearing the Franchisor's trademarks, to make modifications necessary to remove Franchisor's trade dress. Franchisor agrees repair any damage to the structure of the property caused by such entry. Tenant shall remain liable to reimburse Franchisor for the costs of such de-identification. Landlord expressly agrees and acknowledges that Franchisor may enter the leased premises pursuant to this Rider without being guilty of trespass, or other tort or crime.

6. Financing of Trade Fixtures by Franchisor and Security Interest. Any security interest and/or Landlord's lien in Tenant's trade fixtures, 'trade dress', equipment and other personal property in the Premises is hereby subordinated to any security interest and pledge granted to Franchisor in such items. The parties acknowledge that there may be certain personal property in the Premises which are not owned by Tenant, which property shall not be subject to any lien of Landlord. Upon request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

7. Mitigation/Reasonableness. Landlord shall use reasonable efforts to mitigate its damages in the event of a Tenant default. Wherever either party to the Lease is required or requested to give its consent, such consent shall not be unreasonably withheld.

8. Third Party Beneficiary. For so long as Franchisor holds a collateral assignment of the Lease, Franchisor is a third party beneficiary of the Lease, including, without limitation, this Rider, and as a result thereof, shall have all rights (but not the obligation) to enforce the same.

9. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Electronic signatures of this Rider shall constitute originals of the same.

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

LANDLORD: _____

TENANT: _____

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

THE WELLNESS WAY FRANCHISE LLC

EXHIBIT D TO THE DISCLOSURE DOCUMENT

**TABLE OF CONTENTS
OF CONFIDENTIAL OPERATIONS MANUAL**

Total Number of Pages in the Written Operations Manual: 359



TABLE OF CONTENTS

IMPORTANT NOTICES TO FRANCHISEES	5
GETTING TO KNOW THE WELLNESS WAY	8
WELCOME	9
MISSION STATEMENT	10
OUR PURPOSE	10
OUR KEY THEMES	11
3 KEY PRINCIPLES OF	12
THE WELLNESS WAY	12
THE WELLNESS WAY TEAM	19
SUPPORT RESOURCES	29
CONTACT FOR SUPPORT	30
RESOURCES	30
STEPS TO OPENING	32
PRE-OPENING CHECKLIST – 12 WEEKS	33
WEEK 1	39
WEEK 2	45
WEEK 3	47
WEEK 4	49
WEEK 5	50
WEEK 6	58
WEEK 7	59
WEEK 8	59
WEEK 9	61
WEEK 10	62
WEEK 11	62
WEEK 12	64
TRAINING	65
REQUIRED INITIAL TRAINING	66
REQUIRED TRAINING AFTER OPENING	80
ON DEMAND TRAINING AT YOUR CONVENIENCE	83
MARKETING	84
INTRODUCTION TO MARKETING	85
THE WELLNESS WAY MEDIA MARKETING CONSULTING PROGRAM	91
TRADEMARKS	92
LOCATION BRANDING AND TRADE DRESS	93
THE BRAND WHEN INTERACTING WITH PATIENTS	94
BUILDING A MARKETING PLAN	95
TALKS / EVENTS	96



COMMUNITY OUTREACH & NETWORKING	97
SOCIAL MEDIA	98
EXISTING PATIENTS	99
EVALUATING MARKETING	100
OPERATING YOUR CLINIC	101
HOURS OF OPERATION	102
APPROVED PRODUCTS AND SERVICES	105
TWW SYSTEM SOFTWARE	106
COMPLIANCE WITH LAWS	107
ADMINISTRATIVE POLICIES & PROCEDURES	109
CUSTOMER SERVICE	110
PATIENT COMMUNICATIONS	113
SCHEDULING	118
NEW PATIENTS	121
PATIENT CHECK-IN / CHECK-OUT	122
PATIENT SUPPLEMENT ORDERS	123
CLEANING & MAINTAINING YOUR CLINIC	124
FINANCIALS: GETTING PAID & RECORDING PAYMENT	126
ACCOUNTING	127
PRICING AND FINANCIAL CARE PLANS	130
INSURANCE	139
OTHER PAYMENTS	141
REFUNDS	142
BENCHMARKING AND TRACKING YOUR GROWTH	143
HUMAN RESOURCES & STAFFING	144
STAFFING YOUR CLINIC	145
FINDING STAFF	153
STAFFING RESOURCES	154
CLINICAL POLICIES AND PROCEDURES	155
FOLLOW THE PROFESSIONAL JUDGMENT OF YOUR DESIGNATED MANAGING CHIROPRACTOR	156
KNOW AND PRACTICE THE WELLNESS WAY	157
SIX PHASES OF A TWW CARE PLAN	159
PREPARING FOR PATIENT SCHEDULE	160
POINTS FOR SUCCESS IN EVERY CONSULTATION	161
PATIENT EDUCATION VISIT	162
RECOMMENDED PROCEDURE FOR WELLNESS EXAMINATION	163
NOTING PATIENT FILES	164
LABORATORY TESTING	165
PROBLEM SOLVING AND TROUBLESHOOTING	167
CHANGES IN YOUR FRANCHISE	168
RENEWALS	169
SALES AND TRANSFERS	170



EXPANSION	172
RELOCATION	173
CLOSING	175
APPENDICES	178
APPENDIX A - NONDISCLOSURE AND NON-COMPETITION AGREEMENT	179
APPENDIX B - ENTITY INFORMATION	186
APPENDIX C - SITE SELECTION CRITERIA	189
APPENDIX D - LOCATION BUILDOUT/FURNISHING SPECIFICATIONS	191
APPENDIX E - TWW LEASE RIDER	195
APPENDIX F - AUTHORIZATION AGREEMENT – PRE-ARRANGED PAYMENTS	202
APPENDIX G - INITIAL FURNITURE, FIXTURES, & EQUIPMENT	203
APPENDIX H - WELLNESS WAY ENTERPRISES INITIAL ORDER	211
APPENDIX I - OTHER INITIAL SUPPLIES AND INVENTORY	215
APPENDIX J - APPROVED VENDORS	216
APPENDIX K - APPROVED LABORATORY TESTS AND LABS	220
APPENDIX L - PRE-OPENING CERTIFICATION	223
APPENDIX M - THE WELLNESS WAY BRAND GUIDELINES	225
APPENDIX N - SAMPLE SOCIAL MEDIA MONTHLY CALENDAR	226
APPENDIX O - THE WELLNESS WAY MEDIA POSTING REQUIREMENTS	228
APPENDIX P - THE WELLNESS WAY ADMINISTRATIVE STAFF TRAINING MANUAL	229
APPENDIX Q - TWW RESOURCE SHEET	230

THE WELLNESS WAY FRANCHISE LLC

FINANCIAL STATEMENTS

EXHIBIT E TO THE DISCLOSURE DOCUMENT



THE WELLNESS WAY FRANCHISING LLC

FINANCIAL STATEMENTS

**PERIOD FROM MARCH 2, 2022 (INCEPTION DATE) TO
DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**THE WELLNESS WAY FRANCHISING LLC
TABLE OF CONTENTS
PERIOD FROM MARCH 2, 2022 (INCEPTION DATE) TO DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET	3
STATEMENT OF OPERATIONS	4
STATEMENT OF MEMBER'S EQUITY	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



INDEPENDENT AUDITORS' REPORT

Member
The Wellness Way Franchising LLC
Green Bay, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Wellness Way Franchising LLC, which comprise the balance sheet as of December 31, 2022, and the related statements of operations, member's equity, and cash flows for the period from March 2, 2022 (Inception Date) to December 31, 2022, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

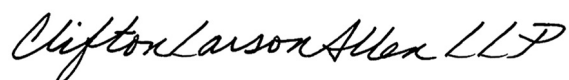
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore 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 Wellness Way Franchising LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Wellness Way Franchising LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 3, 2023

**THE WELLNESS WAY FRANCHISING LLC
BALANCE SHEET
DECEMBER 31, 2022**

ASSETS

CURRENT ASSETS

Cash \$ 19,375

Total Assets \$ 19,375

LIABILITIES

CURRENT LIABILITIES

Due to Related Parties \$ 130

Total Liabilities 130

MEMBER'S EQUITY

MEMBER'S EQUITY 19,245

Total Liabilities and Member's Equity \$ 19,375

See accompanying Notes to Financial Statements.

THE WELLNESS WAY FRANCHISING LLC
STATEMENT OF OPERATIONS
PERIOD FROM MARCH 2, 2022 (INCEPTION DATE) TO DECEMBER 31, 2022

REVENUES

Total Revenues	\$ -
----------------	------

OPERATING EXPENSES

Legal and Accounting	12,264
Startup Costs	18,100
Other Expenses	391
Total Operating Expenses	<u>30,755</u>

NET LOSS

	<u>\$ (30,755)</u>
--	--------------------

See accompanying Notes to Financial Statements.

**THE WELLNESS WAY FRANCHISING LLC
STATEMENT OF MEMBER'S EQUITY
PERIOD FROM MARCH 2, 2022 (INCEPTION DATE) TO DECEMBER 31, 2022**

	<u>Member's Equity</u>
BALANCE - MARCH 2, 2022	\$ -
Contributions	50,000
Net Loss	<u>(30,755)</u>
BALANCE - DECEMBER 31, 2022	<u><u>\$ 19,245</u></u>

See accompanying Notes to Financial Statements.

THE WELLNESS WAY FRANCHISING LLC
STATEMENT OF CASH FLOWS
PERIOD FROM MARCH 2, 2022 (INCEPTION DATE) TO DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Net Loss	\$ (30,755)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Due to Related Parties	130
Net Cash Provided (Used) by Operating Activities	<u>(30,625)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Member Contributions	<u>50,000</u>
Net Cash Provided by Financing Activities	<u>50,000</u>

NET CHANGE IN CASH

19,375

Cash - Beginning of Year

-

CASH - END OF YEAR

\$ 19,375

See accompanying Notes to Financial Statements.

THE WELLNESS WAY FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Wellness Way Franchising LLC (the Company), a wholly owned subsidiary of The Wellness Way, LLC (the Parent), will operate a franchising business under the concept name The Wellness Way®. The Company will sell franchises in a majority of the states. The Company was organized in the state of Wisconsin. The Company's year-end is December 31.

Basis of Accounting

The accompanying financial statements has been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (GAAP).

Accounting Estimates

Management uses estimates and assumptions in preparing the financial statement in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Income Taxes

The Company elected under the Internal Revenue Code and comparable state laws to become a limited liability company in the form of a single-member limited liability company subsidiary and files combined federal and Wisconsin income tax returns with its Parent. Accordingly, income is not taxable at the Company level but passes through to the Parent. Consequently, the Company may declare distributions periodically to the Parent to enable it to pay its income tax liabilities. Primarily due to the limited liability company subsidiary tax status, the Company does not have any significant tax uncertainties that would require recognition or disclosure. As the Company was incorporated in 2022, all income tax returns are open for examinations upon filing.

Revenue Recognition

The Financial Accounting Standards Board (FASB) issued new guidance that created *Topic 606, Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Company adopted the requirements of the new guidance upon inception.

THE WELLNESS WAY FRANCHISING LLC
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The primary result of *Topic 606* on the Company's revenue recognition policies is the accounting for initial franchising fees. Upon the initial sale of a franchise, the Company is obligated to provide franchisees access to certain proprietary programs, written materials, trademarks, tools, and support associated with their franchise business. Under *Topic 606*, initial franchise fees will be recognized as the Company satisfies the performance obligation over the franchise term on a straight-line basis, which is generally 10 years from the date a store opens. The unrecognized portion of initial franchising fees will be recorded as deferred revenue.

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2021-02, *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606)—Practical Expedient*. FASB Subtopic 952-606 creates a practical expedient allowing franchisors that are not public business entities to account for certain pre-opening services enumerated in FASB ASC 952-606-25-2 as a single performance obligation.

The Company adopted the requirements of the new guidance upon inception.

NOTE 2 MEMBER'S EQUITY

The Parent contributed \$50,000 to the Company in exchange for the issuance of 100% of the Company's membership interest. The membership interest in the Company owned by the Parent is the only class of membership interest issued and outstanding as of December 31, 2022.

NOTE 3 SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 3, 2023, the date at which the financial statements were available for issue and does not believe that there are any subsequent events that require adjustment or disclosure in the accompanying financial statements.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.

THE WELLNESS WAY FRANCHISE LLC
EXHIBIT F TO THE DISCLOSURE DOCUMENT

A. LIST OF CURRENT FRANCHISEES AS OF THE DATE OF THIS DISCLOSURE DOCUMENT.

As of the issuance date of this FDD, there are no franchisees:

B. LIST OF TERMINATED FRANCHISEES AS OF THE DATE OF THIS DISCLOSURE DOCUMENT.

As of the issuance date of this FDD, there are no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document Issuance date.

**THE WELLNESS WAY
MULTI-STATE ADDENDA**

EXHIBIT G TO THE DISCLOSURE DOCUMENT

**ADDENDUM TO THE WELLNESS WAY
FRANCHISE DISCLOSURE DOCUMENT**

FOR THE STATE OF CALIFORNIA

In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

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

You must sign a general release if you renew or transfer your franchise. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Neither the franchisor nor any person or franchise broker in ITEM 2 of the 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. 78a et seq., suspending or expelling these persons from membership in the association or exchange.

3. ITEM 5 of the Disclosure Document is amended to add the following:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

4. ITEM 17 of the Disclosure Document is amended to add the following:

- The California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

- The Franchise Agreement contains a covenant not to compete that extends beyond the term of the agreement. This provision might not be enforceable under California law.
- The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
- The Franchise Agreement requires binding arbitration. The arbitration will occur at the forum indicated in ITEM 17 with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult 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 restricting venue to a forum outside the State of California.
- The following URL address is for the franchisor's website:

www.thewellnessway.com

FRANCHISOR'S WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

5. ITEM 19 of the Disclosure Document is amended to provide:

The earnings claims figures 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 franchise business. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

FOR THE STATE OF CONNECTICUT

1. ITEM 3 is amended to read as follows:

- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations.
- Neither the Franchisor nor any other person identified in ITEMS 1 or 2 above has during the ten (10) year period immediately preceding the date of this Disclosure Document, been convicted of a felony or pleaded nolo contendere to a felony charge or been held liable in any civil action by final judgment, or been the subject of any material complaint or other legal proceeding where a felony, civil action, complaint or other legal proceeding involved violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, business opportunity law, securities law, misappropriation of property or comparable allegations or which was brought by a present or former purchaser-investor or which involves or involved the business opportunity relationship.
- Neither the Franchisor nor any person identified in ITEMS 1 or 2 above is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under any federal, state or Canadian franchise, securities, business opportunity, antitrust, trade regulation or trade practice law as a result of concluded or pending action or proceeding brought by a public agency, or is a party to a proceeding currently pending in which an order is sought, relating to or affecting business opportunity activities or the seller-purchaser-investor relationship, or involving fraud, including but not limited to, a violation of any business opportunity law, franchise law, securities law or unfair or deceptive practices law, embezzlement, fraudulent conversion, misappropriation of property or restraint of trade.
- Neither Company nor any person identified in ITEM 2 above is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities & Exchange Act of 1934) suspending or expelling these persons from membership in the association or exchange.

2. ITEM 4 is amended to read as follows:

- During the 10 year period immediately before the date of the Disclosure Document neither Company nor Affiliate, or current officer or general partner of Company, has (a) filed as debtor (or had filed against it) a petition to start an action under the United States Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that ever filed as a debtor (or had filed against it) a petition to start an action under

the United States Bankruptcy Code, or that obtained a discharge of its debts under the Bankruptcy Code during or within 1 year after the officer or general partner of Company held this position in the debtor company.

FOR THE STATE OF HAWAII

1. The following list reflects the status of our franchise registrations in the states that have franchise registration and/or disclosure laws:

- This registration is not currently effective in any state.
- There are no states that have refused, by order or otherwise, to register these franchises.
- There are no states that have revoked or suspended the right to offer these franchises.

2. The Franchise Agreement has been amended as follows:

- The Hawaii Franchise Investment Law provides rights to the franchisee concerning non-renewal, termination and transfer of the Franchise Agreement. If the Franchise Agreement, and more specifically, Sections 5.2 and 18 and 20, contains a provision that is inconsistent with the Hawaii Franchise Investment Law, the Hawaii Franchise Investment Law will control.
- Sections 4.2.8, 18.2.3 and 18.2.6 of the Franchise Agreement require franchisee to sign a general release as a condition of renewal or transfer of the franchise; this release shall exclude claims arising under the Hawaii Franchise Investment Law.
- Section p of the Franchise Agreement, which terminates the Franchise Agreement upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

3. The Receipt Pages are amended to add the following:

- THIS FRANCHISE WILL BE/HAS 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 DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
- THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT AND 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.

FOR THE STATE OF ILLINOIS

- Payment of Initial Fees, including the initial franchise fee, for franchises purchased in Illinois will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.
- For choice of law purposes, and for the interpretation and construction of the Franchise Agreement, the Illinois Franchise Disclosure Act, 815 ILCS 705 governs.
- No action for liability under the Illinois Franchise Disclosure Act shall be maintained unless brought before the expiration of 3 years after the act or transaction constituting the violation upon which it is based, the expiration of 1 year after the franchisee becomes aware of facts or circumstances reasonably indicating that he may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to the franchisee of a written notice disclosing the violation, whichever shall first expire.
- Illinois law governs the Franchise Agreement (without regard to conflict of laws), and jurisdiction and venue for court litigation shall be in Illinois.
- In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in the franchise agreement that designates jurisdiction and venue in a forum outside the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
- Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act of 1987, 815 ILCS 705/19 and 705/20.

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).

IF YOU NOT LICENSED/CERTIFIED IN ILLINOIS TO PROVIDE SERVICES OF THE NATURE DESCRIBED IN THIS DISCLOSURE DOCUMENT, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT WITH LICENSED PROFESSIONALS WHO WILL PROVIDE THE SERVICES THAT YOUR FRANCHISED BUSINESS OFFERS. RETAIN AN EXPERIENCED ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTERESTS IN THIS BUSINESS VENTURE.

FOR THE STATE OF INDIANA

1. ITEM 8 of the Disclosure Document is amended to add the following:
 - Under Indiana Code Section 23-2-2.7-1(4), the franchisor will not obtain money, goods, services, or any other benefit from any other person with whom the franchisee does business, on account of, or in relation to, the transaction between the franchisee and the other person, other than for compensation for services rendered by the franchisor, unless the benefit is promptly accounted for, and transmitted by the franchisee.

2. ITEMS 6 and 9 of the Disclosure Document is amended to add the following:
 - The franchisee will not be required to indemnify franchisor for any liability imposed upon franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.

3. ITEM 17 of the Disclosure Document is amended to add the following:
 - Indiana Code 23-2-2.7-1(7) makes unlawful unilateral termination of a franchise unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
 - Indiana Code 23-2-2.7-1(5) prohibits a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Law.
 - ITEM 17(r) is amended subject to Indiana Code 23-2-2.7-1(9) to provide that the post-term non-competition covenant shall have a geographical limitation of the territory granted to Franchisee.
 - ITEM 17(v) is amended to provide that Franchisees will be permitted to commence litigation in Indiana for any cause of action under Indiana Law.
 - ITEM 17(w) is amended to provide that in the event of a conflict of law, Indiana Law governs any cause of action that arises under the Indiana Disclosure Law or the Indiana Deceptive Franchise Practices Act.

FOR THE STATE OF MARYLAND

1. ITEM 17 of the Disclosure Document is amended to add the following:
 - Under the Maryland Franchise Registrations and Disclosure Law, Md. Code Ann. Bus. Reg. §14-201 et seq., no general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims under the Maryland Franchise Registration and Disclosure Law.
 - Any litigation between Franchisee and Franchisor may be instituted in any court of competent jurisdiction, including a court in the State of Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
 - Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
 - In the event of a conflict of laws if required by the Maryland Franchise Registration and Disclosure Law, Maryland law shall prevail.
 - The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, *et seq.*).

FOR THE STATE OF MICHIGAN

1. 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 prohibition of your right to join an association of Franchisees.
- A requirement that you assent to a release, assignment, novation, waiver or estoppel that deprives you of rights and protections provided in this act. This shall not preclude you, after entering into a Franchise Agreement, from settling any and all claims.
- A provision that permits us to terminate a franchise prior to the expiration of this term except for good cause. Good cause shall include your failure to comply with any lawful provision of the Franchise Agreement and to cure the failure after being given written notice of the failure and a reasonable opportunity, which in no event need be more than 30 days, to cure the failure.
- A provision that permits us to refuse to renew a franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials that have no value to us and inventory, supplies, equipment, fixtures and furnishings not reasonably required in the conduct of the Franchised The Wellness Way Clinic are not subject to compensation. This subsection applies only if: (a) the term of the franchise is less than 5 years, and (b) you are prohibited by the franchise agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, marketing or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months advance notice of our intent not to renew the franchise.
- A provision that permits us 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.
- A provision requiring that litigation be conducted outside this state. This shall not preclude you from entering into an agreement, at the time of litigation, to conduct litigation at a location outside this state.
- A provision that permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. The subdivision does not prevent us from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - The failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

- The fact that the proposed transferee is our or Subfranchisor's competitor.
- The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
- Your or proposed transferee's failure to pay us any sums or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.
- A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants us 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 us the right to acquire the assets of a franchise for the market or appraised value and has failed to cure the breach in the manner provided in ITEM 17 (g).
- A provision that permits us to directly or indirectly convey, assign or otherwise transfer our obligations to fulfill contractual obligations to you unless a provision has been made for providing the required contractual services.

2. If our most recent financial statements are unaudited and show a net worth of less than \$100,000.00, you may request that we arrange for the escrow of initial investment and other funds you paid until our obligations, if any, to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At our option, a surety bond may be provided in place of escrow.

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

4. Any questions regarding this notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise Bureau
525 West Ottawa Street
G. Mennen Williams Building, 6th Floor
Lansing, MI 48933
(517) 373-7117

FOR THE STATE OF MINNESOTA

1. ITEM 13 of the Disclosure Document is amended as follows:
 - As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), we will reimburse you for any costs incurred by you in the defense of your right to use the Marks, so long as you were using the Marks in the manner authorized by us, and so long as we are timely notified of the claim and given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. ITEM 17 of the Disclosure Document is amended as follows:
 - 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) and 180 days notice of non-renewal of the Agreement.
 - ITEM 17 shall not provide for a prospective general release of claims against us that may be subject to the Minnesota Franchise Law. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
 - Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

FOR THE STATE OF NEW YORK

1. All references made herein to a “Disclosure Document” shall be replaced with the term “Offering Prospectus” as used under New York Law.

2. The FDD Cover Page is amended as follows:

- **REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.**
- **THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE CIRCULAR. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS CIRCULAR.**

3. ITEM 3 is amended by the addition of the following language:

- Neither franchisor, the franchisor’s predecessor or an affiliate offering franchises under the franchisor’s principal trademark, nor any person identified in ITEM 2 has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against them 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. In addition, neither franchisor nor any person identified in ITEM 2 has any pending actions, other than routine litigation incidental to the business, that 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.
- Neither franchisor, the franchisor’s predecessor or an affiliate offering franchises under the franchisor’s principal trademark, nor any person identified in ITEM 2 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 held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding involving violation of any franchise law, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

- Neither franchisor, the franchisor's predecessor or an affiliate offering franchises under the franchisor's principal trademark, nor any person identified in ITEM 2 is subject to any injunctive or restrictive order or decree relating to the franchises, or any Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, as a result of a concluded or pending action or proceeding brought by a public agency.
4. ITEM 4 is amended to state that:
- Neither the franchisor, nor its predecessor, officers or general partner of the franchisor has, during the ten (10) year period immediately before the date of the Disclosure Document, has: (a) filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; (c) was a principal officer of any company or a general partner in any partnership that either filed as a debtor (or had filed against it) a petition to start action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the Bankruptcy Code during or within one (1) year after the officer or general partner of the franchisor held this position in the company or partnership.
5. ITEM 5 of the Disclosure Document is amended to add the following:
- The franchise fee will be used to defray franchisor's costs in obtaining and screening franchisees, providing training, training materials and assisting in opening the Franchised The Wellness Way Clinic for business.
6. ITEMS 6 and 11 of the Disclosure Document are amended to add the following:
- The franchisee will not be required to indemnify franchisor for any liability imposed on franchisor as a result of franchisee's reliance upon or use of procedures or products that were required by franchisor, if the procedures or products were utilized by franchisee in the manner required by franchisor.
7. ITEM 17 of the Disclosure Document is amended to add the following:
- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under the New York General Business Law, Article 3, Sections 687.4 and 687.5.
 - ITEM 17(d) is amended to provide that you may terminate the Agreement on any grounds available by law.
 - ITEM 17(j) is amended to state, that no assignment will be made except to an assignee who, in the good faith judgment of Franchisor, is able to assume our obligations under the Agreement.

- ITEM 17(w) is amended to state that New York Law governs any cause of action that arises under the New York General Business Law, Article 33, Section 680-695.

8. Franchisor represents that this Disclosure Document does not knowingly omit anything or contain any untrue statements of a material fact.

FOR THE STATE OF NORTH DAKOTA

1. ITEM 5 of the Disclosure Document is amended by the addition of the following language to the original language:

- Refund and cancellation provisions will be inapplicable to franchises operating under North Dakota Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17. If franchisor elects to cancel this Franchise Agreement, franchisor will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred.
- The initial franchise fee for franchises purchased in North Dakota will be deferred until all initial obligations owed to franchisee under the franchise agreement or other documents have been fulfilled by the franchisor and the franchisee has commenced doing business pursuant to the franchise agreement.

2. ITEM 17 of the Disclosure Document is amended to add the following:

- No general release shall be required as a condition of renewal, termination and/or transfer that is intended to exclude claims arising under North Dakota Law.
- In the case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
- The Franchise Agreement is amended to state that the statute of limitations under North Dakota Law will apply.
- No liquidated damages or termination fee will apply to franchises purchased in North Dakota.
- ITEMS 17(i) and 17(q) are amended to state that covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- ITEMS 17(u) and 17(v) are amended to state a provision requiring litigation to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law. The site for any mediation and/or arbitration shall be mutually agreeable to the parties and may not be remote from Franchisee's place of business.
- ITEM 17(w) is amended to state in the event of a conflict of laws, North Dakota Law will control.

FOR THE STATE OF RHODE ISLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The Rhode Island Franchise Investment Act, R.I. Gen. Law Ch. 395 Sec. 19-28.1-14 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 the Rhode Island Franchise Investment Act.
- Any general release as a condition of renewal, termination or transfer will be void with respect to claims under the Rhode Island Franchise Investment Act.

FOR THE COMMONWEALTH OF VIRGINIA

ITEM 17(h) of the Disclosure Document is amended to add the following:

- 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 or to use undue influence to induce a franchisee to surrender any right given by any provision contained in the franchise, specifically Section 16.2.1.20 of the Franchise Agreement. If any grounds for default or termination stated in the Franchise Agreement do 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.

FOR THE STATE OF WASHINGTON

ITEM 17 of the Disclosure Document is amended to add the following:

- In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.
- A general release or waiver of rights signed by you will not include rights under the Washington Franchise Investment Protection Act.
- Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act, including the right to a jury trial may not be enforceable.
- Transfer fees are collectable if they reflect our reasonable estimated or actual costs in effecting a transfer.
- The Franchise Agreement requires any litigation to be conducted in a state other than Washington; the requirement shall not limit any rights Franchisee may have under the Washington Franchise Investment Protection Act to bring suit in the State of Washington.

FOR THE STATE OF WISCONSIN

ITEM 17 of the Disclosure Document is amended to add the following:

- The Wisconsin Fair Dealership Law Title XIV-A Ch. 135, Section 135.01-135.07 may affect the termination provision of the Franchise Agreement.

THE WELLNESS WAY
STATE EFFECTIVE DATES AND RECEIPTS
EXHIBIT H TO THE DISCLOSURE DOCUMENT

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:

<u>State</u>	<u>Effective Date of Order</u>
California	Not registered
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Not registered
Michigan	Pending
Minnesota	Pending
New York	Not registered
North Dakota	Pending
Rhode Island	Not registered
South Dakota	Not registered
Virginia	Not registered
Washington	Not registered
Wisconsin	Pending

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

Receipt

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 The Wellness Way offers you a franchise, The Wellness Way must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant unless otherwise stated in your state's addendum. The delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship in the States of Maryland and New York.

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

The following are the names, principal business addresses, and telephone numbers of each franchise seller offering the franchise:

Travis Frisque	Dr. Patrick Flynn	Nicole Seidel	Crystal Pranke
2525 W Mason Street	2525 W Mason Street	2525 W Mason Street	2525 W Mason Street
Green Bay, WI 54303	Green Bay, WI 54303	Green Bay, WI 54303	Green Bay, WI 54303
tfrisque@thewellnessway.com	franchise@thewellnessway.com	franchise@thewellnessway.com	franchise@thewellnessway.com
920-737-9171	844-313-5601	844-313-5601	844-313-5601

Date of Issuance: April 3, 2023

Our Agents for Service of Process are listed in Exhibit B.

I have received a Franchise Disclosure Document with an issuance date of April 3, 2023 that included the following exhibits on the date listed below:

- A. List of State Administrators
- B. List of State Agents for Service of Process
- C. Franchise Agreement
 - Exhibit 1 – General Release
 - Exhibit 2 – Nondisclosure and Non-Competition Agreement
 - Exhibit 3 – Unlimited Guaranty and Assumption of Obligations
 - Exhibit 4 – Holders of Legal or Beneficial Interest in Franchisee
 - Exhibit 5 – Multi-State Addenda
 - Exhibit 6 – De-Identification
 - Exhibit 7 – Pre-Opening Certification
 - Exhibit 8 – ACH Agreement
 - Exhibit 9 – Online/Social Media Request
 - Exhibit 10 – Wellness Way Enterprises Supplier Agreement
 - Exhibit 11 – Lease Rider
- D. Table of Contents to the Confidential Operations Manual
- E. Financial Statements
- F. List of Terminated Franchisees
- G. Multi-State Addenda

Please sign and print your name below, date and return one copy of this receipt to The Wellness Way and keep the other for your records.

Date of Receipt (Date FDD Received)

Prospective Franchisee [Signature]

Prospective Franchisee [Print Name]

Title (if Prospective Franchisee is an entity)

Retain this Copy for your records

Return to FDD TOC

Receipt

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If The Wellness Way offers you a franchise, The Wellness Way must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or grant unless otherwise stated in your state's addendum. The delivery of the Disclosure Document is to be received at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship in the States of Maryland and New York.

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

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Green Bay, WI 54303	Green Bay, WI 54303	Green Bay, WI 54303	Green Bay, WI 54303
tfrisque@thewellnessway.com	franchise@thewellnessway.com	franchise@thewellnessway.com	franchise@thewellnessway.com
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- E. Financial Statements
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- G. Multi-State Addenda

Please sign and print your name below, date and return one copy of this receipt to The Wellness Way and keep the other for your records.

Date of Receipt (Date FDD Received)

Prospective Franchisee [Signature]

Prospective Franchisee [Print Name]

Title (if Prospective Franchisee is an entity)

Date, Sign, and Return to: The Wellness Way Franchise LLC, 2525 W Mason Street, Green Bay, WI 54303, franchise@thewellnessway.com

Return to FDD TOC