FRANCHISE DISCLOSURE DOCUMENT

TACTIC Franchising, LLC
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www.100percentchiropractic.com

We license the right to operate a 100% Chiropractic franchised business (each a "Franchised Business"), which, depending on applicable state law, either (a) involves the operation of a clinic that specializes in providing chiropractic services and products to the public through licensed chiropractic professionals, or (b) involves the operation of a business that provides management services to professional corporations that specialize in providing chiropractic services and products to the public through licensed chiropractic professionals.

The total investment necessary to begin operation of a 100% Chiropractic Franchised Business ranges from $339,742 to $814,480. The total investment includes initial fees of $7,500 to $51,000 that must be paid to us or our affiliate.

We also offer qualified prospects the right to own and operate multiple 100% Chiropractic franchised businesses under the terms of an Area Development Agreement, attached to this Disclosure Document. The total initial investment necessary to begin operating under the Area Development Agreement will vary depending on the number of franchised businesses to be opened. By way of example, the total investment necessary to begin operation under the Area Development Agreement for a total of three (3) franchised businesses ranges from $423,742 to $898,480. The total investment includes a development fee of $135,000 that must be paid to us or our 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, us or an affiliate in connection with the proposed franchise sale. **Note, however that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our corporate headquarters at 20551 N Pima Rd., Suite 100, Scottsdale, AZ 85255 and 719-217-0895.

The terms of your contract will govern your franchise relationship. Do not rely on the Disclosure Document alone to understand your contract. Read your entire contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

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

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

Issuance Date: April 29, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H & I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit I 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 100% Chiropractic business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a 100% Chiropractic franchisee?	Item 20 or Exhibit H and Exhibit I 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 the 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 Platforms 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 Arizona. 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 Arizona than in your own state.

2. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

4. **Unopened Franchises**. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

ADDENDUM TO 100% CHIROPRACTIC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

(b) A requirement that you assent to a release, assignment, novation, waiver, or estoppel which 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.

(c) A provision that permits us to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include your failure 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 us to refuse to renew your 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 which have no value to us and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applied only if: (i) the term of the franchise is less than 5 years and (ii) you are prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or you do not receive at least 6 months' advance notice of our intent not to renew the franchise.

(e) 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.

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

(g) A provision which permits us to refuse to permit a transfer of ownership of a franchise, except for good cause. This 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:

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

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

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

(iv) Your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) 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 to 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 of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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 shall be directed to the Department of Attorney General, Consumer Protection Division, P.O. Box 30213, Lansing, Michigan 48909 and (517) 335-7567.

Despite subparagraph (f) above, we intend to enforce fully the provisions of the arbitration section contained in our Franchise Agreement. We believe that subparagraph (f) is unconstitutional and cannot preclude us from enforcing our arbitration section. You acknowledge that we will seek to enforce that section as written, and you will agree in the Franchise Agreement to abide by its terms.

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EXHIBITS TO DISCLOSURE DOCUMENT

EXHIBIT	DESCRIPTION
A	STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS
B	FRANCHISE AGREEMENT
C	PROMISSORY NOTES /SECURITY AGREEMENT/ UCC-1 FINANCING STATEMENT
D	100% U/ONLINE TRAINING PLATFORM TABLE OF CONTENTS
E	FINANCIAL STATEMENTS
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J	GENERAL RELEASE AGREEMENT FOR RENEWALS
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L	LINE OF CREDIT PROMISSORY NOTE
M	MANAGEMENT AGREEMENT
N	AMENDMENT TO WAIVE MANAGEMENT AGREEMENT
O	STATE-SPECIFIC ADDENDA TO THE DISCLOSURE DOCUMENT AND AGREEMENTS
P	STATE EFFECTIVE DATES
Q	RECEIPTS

Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

TACTIC Franchising, LLC, a Delaware limited liability company, is offering potential Franchise Owners the opportunity to own and operate a 100% Chiropractic franchised business (a "Franchised Business") in accordance with the terms described in this Disclosure Document. To simplify the language in this Disclosure Document, the terms, **"We," "Us," "the Company," "TACTIC"** or **"100%"** mean TACTIC Franchising, LLC, the franchisor (but not any agents or employees). **"You"** or **"Franchise Owner"** means the person who buys a franchise from us. The terms **"Franchised Business"** and **"Franchised Businesses"** mean one or more single-unit franchises. If you are an entity (such a corporation, partnership or similar type company) our Franchise Agreement will also apply to your owners, officers and directors.

The Franchisor, and any Parents Predecessor and Affiliates

We are a Delaware limited liability company. We were formerly a Texas limited liability company, and a California limited liability company, created on February 8, 2018 (the "Predecessor") and (i) converted to a Texas limited liability company on October 4, 2021, and (ii) converted to a Delaware limited liability company on March 8, 2024.

Our parent company is 100 Percent Franchise Holdings, LLC ("Holdings"), a Delaware limited liability company formed in February 2024 with the same business address as us. Holdings is held jointly by Red Iron Group Franchise Holdings, LLC a Delaware limited liability company, and by the Helfrich Family Trust.

Our affiliate, 100%, Inc.("Inc"), a Colorado corporation organized in June 2013 and located at 13 S Tejon St Ste 206, Colorado Springs, CO 80903, provides consulting and management services to chiropractic clinics using our Proprietary Marks. Inc previously sold 100% Chiropractic franchises from 2015 to 2017 and has not sold franchises in this or any line of business as of 2017. As of the issuance date of this disclosure document, we expect and intend that Inc franchisees will, upon renewal, enter into franchise agreements with us.

Our affiliate, 100% Epic, LLC (**"**100% Epic**"**), a Colorado limited liability company formed in June 2013 and located at 13 S Tejon St Ste 206, Colorado Springs, CO 80903, provides insurance billing (revenue cycle management services) to our franchisees and to non-franchisees.

Our affiliate, 100 Percent Nutrition, LLC, a Texas limited liability company formed in November 2022 and located at 3610 Shire Blvd., Ste. 102, Richardson, TX 75082, provides certain nutritional supplements that 100% Chiropractic offices carry and sell in their practices as well as on the online portal for patients and their families.

Our Predecessor and our affiliates (listed above) have provided chiropractic services since 2004 and consulting and management services to chiropractic practices since 2008 and have continued to provide such services after the Conversion Date. Except for 100%, LLC (now dissolved) and our Predecessor, we and our other affiliates have not offered franchises in any line of business but

may do so in the future. We do not have any parent companies and we do not currently engage in any other line of business.

As of December 31, 2023, we and our affiliates own and operate four (4) clinics in California, one (1) clinic in Texas, and one (1) clinic in Illinois.

Our agents for service of process are disclosed in **Exhibit A**.

The Franchised Business

We have developed a system (the "System") relating to the development, management and/or operation of Clinics. We offer franchise opportunities to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate businesses under the System that are identified by the Marks (as defined below) (each a "Clinic" or a "Franchised Business") and that either: (a) offer chiropractic care, massage therapy, and nutritional supplements through licensed chiropractic professionals; or (b) offers management services to chiropractic clinics that offer chiropractic care, massage therapy and nutritional supplements. You must enter into a Franchise Agreement for each Franchised Business, which will govern the development, opening and operation of the Franchised Business.

In addition to our single unit offering, we grant qualified individuals the right to develop multiple Franchised Businesses through an Area Developer Agreement (the "ADA" or the "Area Development Agreement") (Exhibit F). If you sign an ADA, you are required to develop a certain number of Franchised Businesses in the area designated in the ADA in accordance with the development schedule included in the ADA. You must sign our then-current form of Franchise Agreement before you open each Franchised Business. The then-current form of Franchise Agreement may contain materially different terms as compared to the form of Franchise Agreement attached to this FDD.

The P.C. Structure with Management

In certain states, a business offering chiropractic services must be owned and operated by a Professional Corporation (a "P.C."), which in turn is owned by one or more licensed professionals (typically a licensed chiropractor). If you are not a licensed professional and wish to open a Franchised Business in one of these states, the franchise model is for the development of a Franchised Business that provides management and general business services to the P.C. The P.C., in turn, owns and operates the clinic offering chiropractic and other approved services.

As stated above, if you are awarded a franchise, you must sign our then-current form of Franchise Agreement (a copy of our current Franchise Agreement is attached as Exhibit B to this Disclosure Document). If you are a not a licensed chiropractor and are located in a state that does not permit you to own a business that offers chiropractic services, in addition to signing the Franchise Agreement, before you begin operating you must enter into a management agreement ("Management Agreement") with a P.C. A sample form of Management Agreement, which you are required to have reviewed by a licensed attorney in your state to ensure compliance with all applicable laws, rules and regulations, is attached to this Disclosure Document as Exhibit M.

Under the Management Agreement, you will agree to provide the P.C. with various management, administrative and operational support services in compliance with all applicable laws and regulations. Our sample form of Management Agreement may be modified to bring the agreement into compliance with any and all applicable existing or future enacted laws. It is your obligation and responsibility to make sure that the Management Agreement you use complies with applicable laws. Before you enter into a Management Agreement with a P.C. you must do the following: (i) submit to us information about the P.C. and its licensed professionals, and (ii) obtain our approval. After entering into the Management Agreement, it is your obligation and responsibility to maintain the Management Agreement, so it continues to comply with applicable law, and to ensure that the P.C. with whom you contract continues to be valid, compliant with all laws and in regulatory good standing in its state.

Under the Management Agreement model, it is the P.C. that is responsible for supervising, employing, and controlling its licensed chiropractors and staff. You will not be providing chiropractic services, rather the licensed chiropractors employed by the P.C. will be providing those services. Under this model, if you are not a licensed chiropractor, you may NOT provide or direct the provision of the actual chiropractic services or any medical services. You are also restricted under the Management Agreement model from controlling, supervising, or directing any of the licensed chiropractors as to the manner in which the licensed chiropractors provide or administer the actual chiropractic services or other medical services to their patients. Under the Management Agreement, the P.C. is responsible for offering and providing all chiropractic services in accordance with all applicable law, and securing and maintaining all required licenses, certifications, registrations, and certificates. In states where the Management Agreement model applies, you are not, under any circumstances, permitted to practice or even appear to be practicing or influencing the P.C., or the licensed chiropractors in their provision of chiropractic services or otherwise in the practice of medicine.

Ownership and Operation of Franchised Businesses in States that Permit Ownership by Individuals or Entities who are not Licensed

Some states may allow a person who is not licensed to own and even operate a Clinic offering chiropractic services. It is your responsibility to investigate all applicable laws, rules and regulations necessary to make this determination. If you make this determination, you may request that we waive the requirement that you use the Management Agreement model. If you request and we elect to grant this waiver, you will enter into the Amendment to Waive Management Agreement in the form attached to this Disclosure Document as Exhibit N. If you are granted the waiver and enter into the Amendment to Waive Management Agreement with us, you would not be restricted from hiring and supervising chiropractic professionals, subject to your continued compliance with all applicable laws, rules and regulations. In Arizona, a person who is not licensed as a chiropractor can own a chiropractic clinic if registered annually by the Arizona Board of Chiropractic Examiners. In this context, you are responsible for operating the Clinic directly, including performing all of the responsibilities and obligations that the P.C. would typically have under the Management Agreement, managing the Clinic in accordance with the terms and conditions of the Franchise Agreement, and providing all services and satisfying all responsibilities of the "Company" under the Management Agreement. At all times, you must ensure that your operations

are in compliance with all applicable laws, rules and regulations, which you acknowledge may change over time.

Pursuant to the Moscone-Knox Professional Corporation Act, (CA Corporations Code 13400 et seq.) a California professional corporation must be owned by licensed healthcare providers. At least 51% of the ownership must be held by providers who are licensed in the type of professional services provided by the professional corporation. For example, a professional corporation that provides chiropractic services must be owned at least 51% by licensed chiropractors. (CA Corps. Code 13401.5) If this ownership requirement is met, then a professional corporation registered with the California Board of Chiropractic Examiners may offer chiropractic services, provided through licensed chiropractors. (CA Corps. Code 13405; CA Business & Professions Code 1050).

No corporation that is not a professional corporation may provide chiropractic or other licensed services. A chiropractic practice may not be owned by a non-professional corporation. (CA Business & Professions Code 2400). According to the Medical Board of California, this provision is intended to prevent unlicensed persons from interfering with, or influencing, the physician's professional judgment. P&S Practice Information | MBC (ca.gov). In addition, a non-professional corporation cannot receive a commission, fee, or other consideration in return for referring a patient to a chiropractic practice. (CA Business & Professions Code 650(a)). However, California law permits a non-professional corporation to provide management services to a medical or chiropractic practice owned by licensed providers. This is permitted so long as the payment to the management company "is commensurate with the value of the services furnished or with the fair rental value of any premises or equipment leased or provided by the recipient to the payer." (CA Business & Professions Code 650(b)). Since the purpose of the ban on the Corporate Practice of Medicine is to prevent non-physicians from exercising control over how clinical services are provided, the management company may not be paid based on the profit earned by the professional corporation. This could incentivize the non-physician to steer the business towards profitability at the risk of compromising quality patient care, which would be a violation of public policy. California law permits a non-professional management company to be paid a reasonable fee for services that is based on a percentage of gross revenue, but not a percentage of profit. (CA Business & Professions Code 650(b)).

The Medical Board of California website lists specific decisions that must be made by physicians pertaining to clinical treatment. There is no prohibition on a non-professional corporation acting as a management company making decisions that do not pertain to clinical care. Thus, a contractual relationship between a professional corporation and a non-professional management entity is permissible, so long at the fee structure complies with CA Bus & Prof Code 650(b) and so long as the management company does not make decisions pertaining to clinical care. The management company franchisee contracts with the professional corporation (the chiropractic practice owned by a licensed chiropractor) to provide certain services. Those services are listed in the MA at Sections 3.2(a), (b) and include: facilities management, IT support, insurance, billing, human resources (for non-clinical employees), procurement, and accounting. The fee is either a flat fee or a percentage of gross revenues or some combination thereof. (MA, Section 5(a)). The MA clarifies, in Section 3.2(c), that the management company may not provide any services related to chiropractic treatment, the need for referrals, determining what tests should be conducted, or how many patients a chiropractor must see in a given period or how many hours a

chiropractor may work. These restrictions comply with the guidance from the Medical Board of California. As of the issuance date of this disclosure document, the California Board of Chiropractic Examiners has not issued any separate guidance and aligns with the Medical Board of California in this regard.

If you are not in compliance with any applicable law or any law changes and such change renders you out of compliance, you must immediately notify us of the non-compliance or change, as applicable, along with the steps and actions necessary to bring you into compliance. It is your responsibility to implement modifications necessary to cure the legal non-compliance, which may require you to transition to the Management Agreement model.

Considering the significant ramifications of violating applicable laws, you are strongly advised to consult with an attorney experienced in this area of law, and to contact local, state, and federal agencies before signing a Franchise Agreement with us, or a Management Agreement with a P.C.

Operating in Compliance with all Applicable Laws

You must operate the Franchised Business in compliance with the terms and conditions of the Franchise Agreement, any other applicable agreement, the Platform and all applicable laws, rules and regulations. The Franchise Agreement licenses you the right to use the trademarks and service marks we designate (the "Marks" or the "Proprietary Marks"), which currently include the 100% Chiropractic mark and logo. We have the right to change the Marks you are permitted to use at any time on notice to you.

Market and Competition

The general market for chiropractic services is well developed and highly competitive. Competition for your practice will come from several areas such as other businesses offering the same services which may include various medical facilities, physical therapists and hospitals, and other competitive franchise brands. Some of these medical professionals and clinics will offer various other services including chiropractic care.

Industry Specific Regulations

You are responsible for determining all laws, rules and regulations applicable to the development and operation of the Franchised Business ("Applicable Laws") and to comply with all such Applicable Laws. There are many federal, state and local laws that regulate the medical industry. These laws include federal, state and local laws that apply to the practice of medicine, the provision of chiropractic services, and the licensing of those professionals and staff. These laws also regulate how suppliers of health care services and products relate with health care professionals and include anti-kickback laws (including the Federal Medicare Anti-Kickback Statute and similar state laws); restrictions or prohibition on fee splitting; physician self-referral restrictions (including the federal "Stark Law" and similar state laws); and payment systems by patients relating to insurance and governmental benefits (including Medicare and Medicaid). Privacy of records of patients is heavily regulated, including under the Health Insurance Portability and Accountability Act of 1996).

Laws vary from state to state. Each state has its own medical, nursing, physician assistant, cosmetology, naturopathic, chiropractic and other boards that determine the rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. Most states have laws that require chiropractors and chiropractor assistants to have certain licenses and to secure and maintain certain registrations with professional associations or registries. Based on our review of various states, as of the issuance date of this disclosure document, we believe (but you must verify and confirm) that you will be required to work with a P.C. in the following states: Arizona, Arkansas, California, Colorado, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Washington, West Virginia, and Wisconsin. In Arizona, a person who is not licensed as a chiropractor can own a chiropractic clinic if registered annually by the Arizona Board of Chiropractic Examiners. Some states have not clarified whether an unlicensed person can own and/or operate a chiropractic Clinic in their state. You understand that it is your responsibility to operate your Franchised Business in compliance with Applicable Laws and that these laws may change over time. This means that you may have to convert your franchise to the Management Agreement structure at some point in the future, even if the regulations applicable at the time you originally signed your Franchise Agreement allowed you to operate the Clinic offering the chiropractic services outside of the Management Agreement model. You should retain a qualified attorney to assist you in determining how these laws may apply to you.

There are also general laws that apply to you and many other businesses such as OSHA occupational hazards, HIPAA and EEOC, various employee related matters such as discrimination, harassment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You will have to sign certain certificates, forms, and other documents to comply with these laws, all of which you must maintain and make available to us at all times.

You should ensure that background checks are run on all employees and staff members that work directly with patients.

Item 2

BUSINESS EXPERIENCE

Dr. Jason Helfrich – Co-Founder, Chief Executive Officer, Chairman of the Board

Dr. Jason Helfrich ("Dr. Jason") has served as our co-founder, Co-President, Chief Executive Officer and Chairman of the Board since our inception in May 2015. Dr. Jason performs his roles for the company from our Scottsdale, Arizona office.

Vanessa Helfrich – Co-Founder, Chief Financial Officer, Secretary and Director

Vanessa Helfrich ("Vanessa") has served as our co-founder, Co-President, Chief Financial Officer, Secretary, Treasurer, and Director since our inception in May 2015. Vanessa performs her roles for the company from our Scottsdale, Arizona office.

Dr. Narmda Kumar – Senior Director of Chiropractor/Doctor Recruiting

Dr. Narmda Kumar ("Dr. Narmda") was the Clinic Director with Chiro One Wellness Centers in Forest Park, Illinois from 2013-2018 and Director of Physician Recruitment with Medulla in Oakbrook, Illinois from 2018-2022. Dr. Narmda joined the 100%, INC., team at the Scottsdale, Arizona office, in January of 2023.

Cristian Weiser – Chief Marketing Officer

Cris was Chief Marketing Officer at ETN America in Rancho Bernardo, CA from 2022 to 2023, Chief Marketing Officer at BizWings in Los Angeles, CA from 2020 to 2022 and Chief Marketing Officer at 1st Merchant Funding in Miami, FL from 2017 to 2020. Cris joined the 100% INC., team, at the Scottsdale, Arizona office, in January of 2023.

Dr. Brandon Livingood – Chief Development Officer

Dr. Brandon Livingood ("Dr. Brandon") has been our Chief Development Officer since August 2022. In addition to this role, Dr. Brandon has been a Clinic Consultant with 100% since 2012, previously in San Diego, California and now at the Scottsdale, Arizona office, and provides management consulting services to new clinics using the 100% Chiropractic® name with their initial setup and operations.

Dr. Nico Staples – Director of Doctor Training

Dr. Nico Staples ("Dr. Nico") has been our Director of Doctor Training since December 2022. In addition to this role, Dr. Nico has served as a Clinic Consultant with 100% in Marietta, Georgia since 2016 and provides management consulting services to new clinics using the 100% Chiropractic name with their initial setup and operations.

Dr. Hannah Staples – Chief Operating Officer

Dr. Hannah Staples ("Dr. Hannah") has been our Chief Operating Officer since November 2022. In addition to this role, Dr. Hannah co-founded a chiropractic clinic in Marietta, Georgia in 2015. Dr. Hannah has been a Clinic Consultant with 100% in Marietta, Georgia since 2019 and provides management consulting services to new clinics using the 100% Chiropractic name with their initial setup and operations.

Item 3
LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay us an initial fee (**"Initial Franchise Fee"**) of $51,000 upon signing your Franchise Agreement. The Initial Franchise Fee is uniformly imposed and is deemed fully earned and non-refundable upon payment.

Initial Franchise Fee – IFF Finance Program

In certain circumstances, we may offer qualified individuals or entities the ability to fully finance the initial franchise fee (the "IFF Finance Program"). If we grant you the right to participate in our IFF Finance Program, you must pay us an initial franchise fee of $300,000, with $7,500 due immediately upon execution of the Franchise Agreement, and the remaining portion of the fee amortized over the duration of the initial term of the Franchise Agreement. See Item 10 for additional information about our IFF Finance Program.

Area Development Agreement

If you enter into an Area Development Agreement ("Development Agreement"), you must pay a Development Fee to us when you sign the ADA (the "Development Fee"). The Development Fee is calculated as the sum of $45,000 multiplied by the number of Franchised Businesses you are required to open pursuant to the Development Agreement. The minimum number of outlets required to be opened under the ADA is 3. The Development Fee for ADAs offered under this Disclosure Document is non-refundable upon payment.

[Item 6 Continues Below]

Item 6
OTHER FEES

Fee	Amount	Due Date	Remarks
Royalty Fee	6.5% of Gross Revenue, with a required minimum of not less than $2,500 per month ($1,500 minimum for the first 3 months).	Collected on the 1st of each month, or the next business day if the 1st falls on a weekend or holiday, by us.	Your obligation to pay the Royalty Fee commences upon the earlier to occur of (i) the opening of the Franchised Business, or (ii) one year following the signing of the Franchise Agreement. See Note 3.
Billing Fee (revenue cycle management services)	10% of insurance collections.	Fees paid as insurance billings are collected.	Based on Gross Revenue received from all insurance billing sources, including but not limited to general insurances, Medicare, Medicaid, personal injury cases, and Workman's Compensation
Marketing Fee (Contribution to Company's Marketing Fund)	Currently $800 per month.	Collected on the 1st of each month, or the next business day if the 1st falls on a weekend or holiday, by us.	See Item 11 for additional information.
Local or Regional Advertising Cooperatives	None; allocated by us from Marketing Fee.	Not applicable	See Item 11 for additional information.
Default Interest	18% per annum or the maximum rate permitted by law.	From the date payments are due and continues until outstanding balance and accrued interest are paid in full, for any amounts under the Franchise or other agreements, including the Promissory Notes.	Charged on any late payments of Fees.
Local Marketing Advertising/Social Media	$1,700 - $2,599 per month	Not applicable.	See Item 11 for additional information.
Late Charge	Higher of $50 per day or the highest allowed by law.	As incurred.	Charged on any late payments of Fees.
Audit Expenses	Cost of audit and inspection, plus any	On demand.	Payable if you fail to timely input financial

Fee	Amount	Due Date	Remarks
	reasonable accounting and legal fees.		data in the office management program or fail to submit required reports.
Non-compliance Charge	$500 per violation	On demand.	Where permitted by law, we may charge you a non-compliance charge of $500 per violation by you of any term or condition of the Franchise Agreement.
Fee for Sale of Prohibited Products or Services	$100 per day	As incurred.	Payable if you use, sell or distribute non-authorized products or services in your Franchised Business.
Technology Fee	Currently $1,250 for an assortment of technology processes and services.	This fee is collected by us on the first day of each month, or the next business day if the first falls on a weekend or holiday.	Payable to cover the cost of technical support for your computer system and software, to operate your franchise. See footnote 4 and Item 11 for more detail.
Insurance Reimbursement	Amount of unpaid premiums and related costs.	On demand	Payable if you fail to maintain required insurance coverage and we obtain coverage for you.
Renewal Fee	$5,000	As incurred.	Payable to us.
Remodeling, Expansion, Redecorating or Refurnishing costs	At least $6,000 every 4 years.	As incurred.	Payable directly to vendors when you remodel, expand, redecorate or refurnish your Franchised Business.
Transfer Fee	The greater of (a) 20% of our then-current Initial Franchise Fee or (b) $10,000.	Before transfer completed.	Applies to any transfer of the Franchise Agreement, the franchise, or a controlling interest in the franchise.
Relocation Fee	An amount set by us, currently $2,500.	Before relocation is completed.	Applies to any relocation of the Franchised Business due to a loss of the initial premises of the Franchised Business.

Fee	Amount	Due Date	Remarks
Legal Costs and Attorneys' Fees	All legal costs and attorneys' fees incurred by us.	As incurred.	Payable if we must enforce the Franchise Agreement, or defend our actions related to, or against your breach of, the Franchise Agreement.
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid.	As incurred.	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs, and expenses related to your ownership and operation of your franchise.
De-Identification	All amounts incurred by us.	As incurred.	Payable if we de-identify the franchise upon its termination, relocation, or expiration.
Bi-Annual Tribe Meetings	$750 to $1,250 per person (plus expenses).	Billed to you after the meeting.	Franchisor facilitates calculating meeting costs and charging each franchisee.
Non-Attendance Fee for Mandatory Trainings and Meetings	$400 per day missed unless Franchisor consent is obtained but all deposits lost.	As incurred.	Payable to us if you fail to attend or miss mandatory trainings and meetings without our consent.
Requests for Additional Training	A mutually agreed-upon rate.	As incurred.	Payable to us if you request additional trainings and we agree to provide that additional training to you.
Fee for requesting approval of a new product or service	$250 per request	As requested.	Payable to us if you request approval of a new product or service.
Professional Corporation (applicable only in the P.C. Structure with Management)	$500 per month for the first 3 months and $1,200 per month thereafter.	Monthly	Payable to the owner of the Professional Corporation to cover the cost of clinical oversight activities and administrative support.
Liquidated Damages	Will vary depending upon the	Paid upon early termination	Upon early termination a fee must be paid that substitutes for our actual

Fee	Amount	Due Date	Remarks
	circumstances of early termination.		damages (known as Liquidated Damages)

The tables above and accompanying notes describe all other fees that you must pay to us or our affiliates, or that are collected for a third party, whether on a regular basis, such as recurring monthly charges, or some other method, in carrying on your Franchised Business:

Explanatory Notes:

(1) All fees are uniform and non-refundable when paid unless otherwise specified. We have in the past, and may in the future, waive or defer some of the fees set forth in the table based on our reasonable discretion. All fees are non-refundable.

(2) Automatic debit payments are required. We will debit your bank account for the Royalty Fee, Billing Fee, Marketing Fee and other amounts you owe us (**"Fees"**). You must make funds available for withdrawal from your account before each due date. We may charge you the higher of $50 per day or 12% interest: (i) for late payments of above fee and (ii), for any late payment under a promissory note or deferred franchise fee payment. The highest interest rate allowed by law in California for late payments and loans is 10% annually.

(3) **"Gross Revenue"** means the total of all revenue and receipts derived from the operation of the franchise, by the franchisee or P.C., including all amounts received at or away from the Franchised Business, or through the business the Franchised Business conducts (which includes all the fees and revenue generated from services, sale of products, gift certificates, whether by check, cash or credit or debit card, barter or exchange, or other credit transactions), whether collected or uncollected; and excludes only sales taxes collected from customers and paid to the appropriate taxing authority, and all customer refunds and credits the franchise actually makes.

Your Royalty will be based on the monthly collections on the date the transaction is entered into the system, regardless of the posting date.

For Franchisees that operate as the management company for a P.C. and any of its clinics under a Management Agreement, "Gross Revenue" includes all revenues and receipts of the P.C. and any of its clinics, even if those revenues are not recognized on the books of the Franchisee.

For purposes of the Billing Agreement only, the revenues against which the Billing Fee is assessed are only those that are charged to insurance (worker's compensation, casualty, health, etc.) and do not include those that are paid by the client in whole or in part and excludes insurance copays.

(4) The Technology Fee will include but not be limited to the following areas and such areas may be expanded or reduced as determined by the Franchisor: Training Software, IT Support, Business Music License, Payroll company, 6 company email accounts, Digital signage, EHR software subscription, Network License updates (annual), and other subscriptions required by the Franchisor. The fee and services are in addition to other services described in this disclosure document.

(5) If you do not pay the premiums for insurance required to operate your franchise, including but not limited to, general or professional liability insurance, EPL (Employment Practice Liability) and Cyber coverage, we may obtain insurance for you, and you will be required to reimburse us within 10 days of receipt of a demand for reimbursement from us. We will have the right to debit your account the amounts owed for such premiums if you fail to pay us within 10 days of our request.

(6) The fee for the relocation of the Franchised Business is not required to be paid if the Franchised Business loses its lease because of circumstances beyond its control. Any such new site must be approved by us in the same manner as the approval of the Franchised Business's initial site. The relocation fee is due to us within a week after the site is approved by us.

(7) Tribe is a mandatory bi-annual meeting for all doctors and owners to go over clinic numbers, train, team build and connect. One time a year it is required that all employees come for our All Company Tribe to celebrate the years successes, train, introduce new programs and team build.

Item 7

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Estimated Initial Investment

Type of Expenditure	Range		Method of Payment	When Due	To Whom Payment Made
	Low	High			
Initial Franchise Fee (1)	$7,500	$51,000	Lump sum or financed.	When you sign the Franchise Agreement.	Us
Rental Security and Utility Deposits (2)	$2,979	$12,250	As agreed.	Before opening.	Landlord and/or utility companies.
Three Months' Lease Rent (3)	$7,500	$36,000	As agreed.	As agreed.	Landlord

Type of Expenditure	Range		Method of Payment	When Due	To Whom Payment Made
	Low	High			
Architectural	$6,000	$15,000	As agreed.	Before opening.	Architect
Office Planning	$4,500	$4,500	As agreed.	Before opening.	Approved Supplier
Office Millwork	$42,063	$43,738	As agreed.	Before opening.	Approved Supplier
Leasehold Improvements (4)	$104,550	$320,000	As agreed.	Before opening	Landlord or construction contractors.
Signage (5)	$5,000	$15,000	As agreed.	Before opening.	Vendors
Office equipment, Including Furniture and Fixtures (6)	$6,000	$9,000	As agreed.	Before opening.	Vendors
Chiropractic or Other Professional Equipment	$15,600	$32,400	As agreed.	Before opening.	Vendors
X-Ray Machine	$38,900	$40,142	Lump Sum or financed.	Before opening.	Vendors
Computer Hardware, Software, Supplies and Installation (7)	$19,500	$25,000	As agreed.	Before opening.	Vendors
Business Licenses and Permits (8)	$3,500	$5,000	As required.	Before opening.	Governmental agencies.
Professional Fees and Services (9)	$3,000	$6,900	As agreed.	Before opening.	Attorneys, accountants, and other professionals.
Insurance (10) (3 months)	$900	$1,650	As agreed.	Before opening.	Insurer
Doctor Credentialing	$750	$1,500	As agreed.	Before opening.	Agency
Initial Training Expenses, Including Travel (11)	$16,000	$39,000	As agreed.	As incurred.	Host Training Office and Vendors

Type of Expenditure	Range		Method of Payment	When Due	To Whom Payment Made
	Low	High			
Start-up supplies – contracts, invoices, and other office supplies (12)	$9,500	$9,500	As agreed.	As incurred.	Vendors
Start-up Marketing Expenses through the third month of operation (13)	$16,000	$25,900	In your discretion.	As incurred.	Vendors
Marketing Expenses for Grand Opening	$0	$1,000	In your discretion.	As incurred.	Vendors
Additional Funds-Three Months (15)	$30,000	$120,000	As agreed.	As incurred.	Vendors
TOTAL ESTIMATED INITIAL INVESTMENT (16)	**$339,742**	**$814,480**			

B. Area Development Agreement (3 Franchised Businesses as Example)

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Made
	Low	High			
Development Fee (1a)	$135,000	$135,000	Lump sum or financed.	When you sign the Area Development Agreement.	Us
Estimated Initial Investment to Develop First Franchised Business (16a)	$288,742	$763,480			
TOTAL (16b)	**$423,742**	**$898,480**	**See Chart 7(A) Above**		

Explanatory Notes:

None of the fees or costs paid to us listed in the table above are refundable.

(1) See Item 5 for more information about the Initial Franchise Fee.

(1a) If you enter into an area development agreement with us for the right to open and operate more than one franchised business, the Initial Franchise Fee will be equal to $45,000 per franchised business you are required to open under the ADA. The Development Fee listed above assumes you have acquired the right to open and operate a total of three (3) franchised businesses. If you enter into an ADA, the number of franchises will be agreed upon between you and us before or when we sign the initial Franchise Agreement.

(2) Security deposits included in this estimate is required by the landlord and utility companies, including any telecommunications service.

(3) The rent payments you make may vary and you should consider factors such as location and your market's retail lease rates. We require that you lease an office of approximately sixteen hundred to eighteen hundred (1,600 - 1,800) square feet, with access to bathrooms, and provisions for telecommunication equipment and office furniture.

Alternatively, if you purchase instead of leasing the premises for your Franchised Business your purchase and financing terms will determine the amount of your monthly mortgage payments.

(4) Our estimate takes into consideration construction allowances that may be offered by your landlord and as shown below, so that without considering such allowance the expense would be higher. The construction and building expenses will vary depending upon conditions of the premises but for purposes of this disclosure we are estimating that there will be a $72,000 tenant improvement ("TI") allowance that will be used to pay for part of your improvements. The construction and building expenses include the General Contractor's fee of $172,000 based on an 1,800 sq ft vanilla shell and a TI Reimbursement of $72,000 as well as other expenses to arrive at a total estimate.

(5) The type and size of the signage you actually install, which you must pay for, will be based upon the zoning and property use requirements and restrictions. You must be aware if signage is not permitted because of zoning or use restrictions.

(6) You will need to purchase office furniture for the operation of your Franchised Business, including workstations and chairs, file cabinets, shelving, and an initial inventory of forms, stationery, and other items.

(7) Computer components consist of hardware, software, supplies, and installation.

(8) You may be required to obtain business licenses from a local government agency to operate your Franchised Business.

(9) There are additional fees you may have to pay such as accounting and lawyer fees and other professional fees in order to form a business entity, set up a PC (if applicable), review agreements relating to the franchise, and personality profiles of potential employees and medical professionals, and for all necessary tax filings to set up a small business.

(10) You must procure and maintain certain types of insurance coverage with certain limits on liability, as we specify in our Operations Manuals or otherwise in writing, for your business. See Item 8 for additional information.

(11) A doctor must train in an approved training office for two to four weeks with a minimum of two weeks at the rate of $1,500 per week payable to the hosting office for its time and resources. All travel and accommodation are the responsibility of the franchisee. Chiropractic assistants are required to train for a minimum of a week in person and the rate for this is $750 per week payable to the host office. Some doctors who have trained and worked in offices for months or years may not require training.

(12) You may be required to purchase various supplies directly from vendors.

(13) The Startup Fee includes certain expenses we incur in establishing the franchise, such as the processing fee paid to a 3rd party to arrange the documentation and complete the transaction. The Startup Fee does not include any of your other expenses in setting up the franchise, including any professional fees you may incur as described in Note 9 above. It is not related or part of the Startup Cost Note.

(13) You are not required to, but we recommend that you spend at least $1,000 for Grand Opening advertising. We estimate that in addition to your Grand Opening expenses which are shown in a separate category you will have other startup advertising expenses. You have the option to choose to spend more than the amounts included in this budget. We anticipate that your monies will be spent for local advertising which will be used on a variety of advertising media, including but not limited to, online, newspaper/magazine advertisements and related customized marketing materials prepared by the Company or third-party vendors.

(15) These estimated amounts for additional funds are based on our experience with operators that own the business. The low end of this estimate assumes that (a) you are a licensed chiropractor and will not need to retain a salaried doctor to operate your practice, and (b) that you will hire approximately one therapist and two chiropractic assistants. The high end of this estimate assumes that (c) you are not a licensed chiropractor, but are operating the business under the Management Model and will need to pay at least one salaried doctor, and (d) that you will hire approximately one to two therapists and two chiropractic assistants for the initial operation of your Franchised Business. The estimate provided in this budget item is for a period of 3 months. The Company estimates that, in general, you may expect to put additional cash into the business during at least the first 3 months, and sometimes longer. This estimate includes additional operating expenses that may be needed after opening as is typical of new businesses.

(16a) This estimate includes the total estimated initial investment associated with the opening and initial period of operations of your first Franchised Business, minus an initial franchise fee of $51,000 (this estimate assumes that you are not participating in our IFF Finance Program for each Franchised Business).

(16b) This figure represents the total estimated initial investment required to open your initial Franchised Business under the first Franchise Agreement you enter into with us, which you will sign along with your Area Development Agreement. This range does not include an Initial Franchisee Fee because you will pay the Development Fee instead. This estimate does not include any of the costs you will incur in opening any additional franchised businesses that you acquired the right to open under the Area Development Agreement; these costs will not likely be incurred during the first three months of operating your first Franchised Business. The costs to open your additional franchised businesses may increase in the future depending on when and where you open the additional Franchised Business(es).

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Generally

You must operate the Franchised Business in strict conformance with the Franchise Agreement and our methods, standards and specifications, which we may prescribe in the Platform or other writings. We have the unrestricted right to change the Platform at any time. You will not offer or sell at or from the Franchised Business, or any other location or platform, any products or services that we have not expressly approved in writing. We have the right to disapprove of any previously approved service or product at any time, in which case, upon your receipt of written notice from us, you must discontinue offering and selling any disapproved service or product.

Required Purchases and Approved Suppliers

We have and may continue to develop standards and specifications for products, supplies, services, equipment, furnishings, fixtures and other items. We may communicate these standards and specifications to you via the Platform or other written or electronic communications. You must purchase certain products, supplies, insurance, inventory, signage, fixtures, furniture, equipment, services, décor and other specified items in accordance with these standards and specifications. In addition, we have the right to require you to purchase any or all such products, items and services from suppliers we designate or approve in writing. We may provide designated and approved supplier information to you via the Platform or other written or electronic communications. You may not purchase any item from an unapproved supplier.

Our criteria for selecting and approving suppliers is deemed proprietary and confidential information. We do not provide a specific criterion to franchisees. Generally, in selecting suppliers, we may consider all factors we deem relevant, which may include the quality of goods and services, years in business, insurance coverage, service history, capacity of supplier, financial condition, terms and other requirements comparable with other supplier relationships. We may

communicate the list of approved items of equipment, fixtures, inventory, and supplies (by brand and/or by quality and specifications) and a record of approved suppliers for said items in the Platform or other written or electronic communications. You must strictly comply with all requirements set forth in the Platform or other written or electronic communications, which you acknowledge may change over time. We may communicate changes in any requirement in the Platform or through other written or electronic communications. You must comply with all changes and modifications immediately upon your receipt of our notification.

Medical Related

If you are operating under the Management Agreement model, the P.C. you manage will employ and control the chiropractors and other professionals and staff who provide the actual medical care services delivered to patients. The medical industry is heavily regulated, with various federal and state laws applicable to the practice of medicine, and the ownership and operation of medical practices and health care businesses. It is critical that we (or you as the manager) do not engage in practices that are, or appear to be, the practice of providing chiropractic or medical services. In the Management Agreement model, the franchisee manages the day-to-day non-medical operations of the Business and the P.C. exercises oversight of and directs the provision of chiropractic or medical services. The Franchised Business must offer all those medical services that are required to be provided by us.

Approving Alternative Suppliers

As stated above, we do not provide our criteria for supplier approval to franchisees. You may propose, for our consideration, an alternative supplier, which we are under no obligation to approve. If you wish for us to consider approving an alternative supplier, you must submit to us in writing, a request for approval of the proposed supplier, along with a fee of $250 (per request and per item requested to be approved). We will respond with our approval or disapproval within 15 days of our receipt of your written request and all information we designate as necessary for our consideration and approval of the proposed supplier. We may, in our discretion, require that the proposed supplier permit us to inspect the supplier's facilities, and we may require that product samples from proposed supplier be delivered, at our request, either directly to us, or to any independent, certified laboratory of our choice for testing. If we grant our approval of a proposed supplier, we may revoke the approval at any time in the future for any reason. Additionally, if we grant our approval, we reserve the right to occasionally re-inspect the facilities and products of any approved supplier, and rescind our approval for any reason, including if the supplier does not maintain our level of requirements.

Exclusively Designated Suppliers & Estimated Percentage of Required Purchase Expenditures

If you are awarded a franchise, you must sign an agreement with our required vendor(s) for the license and technical support to the practice management software and computer equipment technical support.

As of the issuance date of this Disclosure Document, we and our affiliate are currently the only approved suppliers of the following items: paper supplies, including advertising and marketing materials, as well as nutritional supplements for carry and resale at your Franchised Business, and billing services.

We have the right to designate ourselves, one or more affiliates, or a third party as the sole approved supplier for any product or service. We reserve the right to require you to discontinue using other suppliers for these and other services, subject to adjustments a licensed chiropractor deems necessary to maintain the health of a patient. We reserve the right to make a profit on any goods or services we require you to obtain from us. As of the issuance date of this disclosure document, we have designated a sole approved supplier from which you must purchase your required insurance policies.

You are required to purchase or lease real estate, goods, and services according to our specifications and/or from approved suppliers to be eligible to renew your franchise. Failure to comply with these requirements will render you ineligible for renewal, and may be a default allowing us to terminate your franchise.

We estimate that your purchases or leases from approved suppliers in accordance with our specifications will represent approximately 90% to 95% of your total purchases in the establishment of the Franchised Business, and 15% to 25% of your total purchases in your continuing operation of the Franchised Business.

Derived Revenue; Officer Ownership in System Suppliers

We and our affiliates reserve the right to derive revenue and other material consideration, including monetary payments, promotional allowances, volume discounts, rebates and other benefits, on account of franchisee purchases and/ or leases. We and our affiliates may impose mark-ups on any and all purchases and leases from us and/or our affiliates. We and our affiliates also reserve the right to receive compensation from suppliers for creating or maintaining purchasing relationships. If we and/or our affiliate receives rebates, payments or other consideration on account of franchisee purchases or leases, there will be no restriction on our and/or our affiliates' use of these payments or consideration.

During our past fiscal year ended December 31, 2023, we did not derive any revenue on account of franchisee purchases.

During their fiscal years ended December 31, 2023, (i) our affiliate, Inc, derived $312,400.58 on account of our System franchisees' purchases, and (ii) our affiliate, 100% Epic, derived revenue of $1,297943.10 on account of our System franchisees' purchases.

As of the issuance date of this disclosure document, our officers Dr. Jason Helfrich and Vanessa Helfrich own (i) a controlling interest in 100% Epic, an affiliate of ours which provides revenue cycle management services (i.e., the billing services) to our franchisees and also provides such services to other non-affiliated third parties, (ii) an interest in 100% Nutrition, which provides certain nutritional supplements for resale by our System franchisees, (iii) an interest in ChiroHD, our required EHR software provider, and (iii) an interest in Elevate, our required search engine

optimization (SEO) provider. Other than as disclosed above, none of our officers own an interest in any of our approved suppliers.

Negotiated Prices, Cooperatives and Material Benefits

As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives. We may concentrate purchases with one or more suppliers to obtain lower prices or advantageous advertising support or services. We may, but are not required to, negotiate purchase arrangements (including price terms) with some suppliers of approved products and/or services. We anticipate, but do not guarantee, that at least some of these arrangements will generally allow us to obtain discounts off standard pricing.

We may, but are not required to, pass on to you a portion of any discounts we are successful in negotiating on behalf of our franchisees. We do not provide any material benefits to you for any purchases you may make from our approved or designated suppliers (such as the renewal of your franchise or the granting of additional franchises).

Advertising

You must obtain our approval before you use any advertising, marketing and/or promotional materials, signs, forms, or stationery.

Price Restrictions

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 100% Franchise locations participate. If we establish such prices for any services or products, you cannot exceed or reduce that price unless otherwise permitted by law. You will apply any pricing format or schedule or minimum advertised price policy determined by us. These policies are subject to federal and state anti-trust and other related laws that may limit our ability to require you to set prices.

Records

Bookkeeping and accounting records, financial statements, and all reports you submit to us must adhere to our parameters. All reports must be submitted in a timely manner in accordance with the dates we set. You are required to back up client data in accordance with state and federal law and to use our required vendor. You must provide us the right to contact your accountant directly and obtain any of the reports or financial information that we are entitled to.

Computer Equipment and Software

You are required to purchase the computer system and operating software that we specify.

Insurance

You must obtain and maintain insurance, at your expense, as we require. We may communicate these requirements to you in our Manuals, the Platform, or otherwise in written communications.

We estimate that your annual cost of insurance will range from $3,600 to $6,600. You must purchase all insurance necessary to operate your franchise, including but not limited to, professional liability insurance for all P.C. chiropractors, workers' compensation, general commercial liability, EPL (Employment Practice Liability) and Cyber policies, with minimum policy limits that we designate in writing. From time to time, we may increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, changing economic conditions, or other relevant changes in circumstances. All insurance policies you purchase must name us and any affiliate we designate as additional insureds and provide for 30 days' prior written notice to us of a policy's material modification or cancellation. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and the Franchised Business on your behalf (see Item 6). The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories.

Item 9

FRANCHISEE'S OBLIGATION

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

Obligations	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1of Franchise Agreement ("FA"), Sections 3(d) and 4(a)	Items 7 and 11
b. Pre-opening purchases/leases	Sections 3.1, 3.2, 3.3, 3.4 and 3.5 of FA	Item 7
c. Site development and other pre-opening requirements	Sections 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 of FA, Sections 3(d)	Items 7 and 11
d. Initial and ongoing training	Sections 4.1 to 4.9 and 5.1 of FA	Item 11
e. Opening	Sections 3.3 and 3.6 of FA	Items 7 and 11
f. Fees	Sections 2.6, 3.4, 4.3, 5.1, 5.2, 6, 10.1, 10.3, 10.8, 11.1, 11.2, 12, 13.2, 14.5, 15, and 16.8 of FA	Items 5, 6, 7, 8 and 11
g. Compliance with standards and policies/Platform	Sections 2.1, 3.3, 3.4, 3.5, 3.6, 5.2, 5.3 and 10 of FA	Items 8, 11 and 12
h. Trademarks and proprietary information	Sections 7 and 9 of FA	Items 13 and 14
i. Restrictions on products/services offered	Section 10.2 of FA	Item 16
j. Warranty and customer service requirements	Section 10.7 of FA	None
k. Territorial development and sales quotas	Section 3 of FA	Item 12

Obligations	Section in Franchise Agreement	Disclosure Document Item
l. On-going product/service purchases	Sections 3.4, 5.1, 6.7, 10.2, 10.3, 10.8, 10.9 and 11 of FA	Items 7, 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 10.1 and 10.5 of FA	Items 7, 8 and 11
n. Insurance	Section 10.7 of FA	Items 6,7 and 8
o. Advertising and Marketing Fund	Sections 6.5, 6.6 and 11 of FA	Items 6, 7 and 11
p. Indemnification	Sections 7.5 and 8.3 of FA	Items 6 and 13
q. Owner's participation/ management and staffing	Section 10.6 of FA	Items 11 and 15
r. Records/reports	Sections 12, 13.2 of FA	Item 6
s. Inspections/audits	Section 13 of FA	Item 6
t. Transfer	Section 14 of FA	Items 6 and 17
u. Renewal	Section 2.5 of FA	Items 6 and 17
v. Post-termination obligations	Section 16 of FA	Item 17
w. Non-competition covenants	Section 9.2 of FA	Item 17
x. Dispute resolution	Section 17 of FA	Item 17
y. Owners/Shareholders / Spousal Guarantee (1)	Section 2.6 of FA	Item 15

Item 10

FINANCING

We offer financing to franchisees in the form of promissory notes for the initial franchise fee as part of our IFF Finance Program ("Initial Franchise Fee Note"). We also may, in our discretion, offer financing to franchisees in the form of a promissory note for expenses relating to the lease security deposit, remodeling, initial equipment or fixtures, opening inventory and supplies and your expected expenses (in excess of revenues) for the first three months of the operation of your franchise ("Startup Costs Note"). Except for the programs listed in this Item 10, we do not offer any other financing, including for your ongoing operations. We may (but are not required to) provide you with a line of credit loan ("Line of Credit") attached as Exhibit L, which is intended to provide a moderate amount of money over a short term to assist you with your operational needs, normally less than $50,000. We do not have any practice or intent to sell, assign or discount to a third party all or part of any promissory notes but may do so in the future. In certain cases, we may arrange a third-party lender to loan directly to you. If a third party does make a direct loan, we may in our discretion guarantee this type of loan if your credit does not satisfy the lender's requirements. You are not required to use our financing and may pay your initial franchise fee in full or finance your operating expenses on your own if you wish. If we do provide financing, then we will earn interest income for doing so.

There are no prepayment penalties for any financing we provide to you, but prepayment will not reduce the monthly payments due under any promissory note until that note is paid in full. If we provide financing to you, we require a personal guarantee by the franchisee, its owners and their spouses, and a security interest in the equipment, furniture and fixtures on the site, your accounts receivable, your ownership interests in the franchisee if an entity, and other Business related assets you may own (see Exhibit 2.2 of the Franchise Agreement – Guaranty of Promissory Note) and (Exhibit C – UCC-1/Security Agreement/ Financing Statement) used to secure the loan).

If a payment due under any of the promissory notes is late, we may accept the late payment with a fee which is the higher of 12% (of the amount that is late) or $50 per day until paid, or, upon 10 days' written notice, accelerate payment of the outstanding principal and interest. All payments will be applied first to outstanding late charges, then to interest, and then to principal.

If we accelerate payment and subsequently refer any of the promissory notes to an attorney for collection, all outstanding amounts will bear interest at the default rate of 18% per year (or if this rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted) and you will have to pay our reasonable attorneys' fees and costs we incur as a result of the default. As an additional remedy, we may terminate your Franchise Agreement (although this will not release you from having to pay all unpaid amounts due under the promissory notes or under the Franchise Agreement).

If you transfer any of your interest in the Franchise Agreement or your Business, the unpaid principal and interest (if applicable) balance will be immediately due and payable.

If the Franchise Agreement is terminated, then the promissory notes shall immediately become due and payable.

You may not assign any of the promissory notes without our prior written consent.

You and any endorsers waive and excuse presentment for acceptance and payment, notice of dishonor and protest of dishonor and agree to any extension of time and payment. The Initial Franchise Fee Notes and Startup Costs Note shall be made at the time you sign the Franchise Agreement.

Initial Franchisee Fee

This financing is used to pay for the initial franchise fee of $300,000 for franchisees participating in our IFF Finance Program. A copy of the Promissory Note for financing the initial franchise fee as part of our IFF Finance Program ("**IFF Finance Program Note"**) is attached to this disclosure document as an exhibit.

If you qualify to participate in our IFF Finance Program and wish to borrow the $300,000 initial franchise fee from us, then you will sign a Promissory Note (guaranteed and secured by your business property) with interest to accrue at the lower of: (i) 12% per annum or (ii) the highest allowed by law, compounded monthly for the duration of the Promissory Note, starting from the 2nd month after opening to the public for business of the Franchised Business.

The Promissory Note shall have no payments of principal and interest for the first 6 months after the Opening, and accrual of interest from the 2nd month through the 6th month after Opening. On the 7th month after Opening, monthly payments of interest only on the capitalized amount, with interest compounded monthly, shall be due and shall continue monthly through the 30th month after the Opening.

On the 31st month after the Opening, monthly payments of both principal and interest, with interest compounded monthly, will be due over a 7-year period on a monthly basis (a total 9.5-year note). We reserve the right to call the loan due and payable after the end of the 7th year of the Promissory Note provided you are given a 3-month advanced written notice. At what time the loan may otherwise be called all due and payable, the terms of the late payment fee, and other details are set forth in the Promissory Note.

Start-up Costs

If you wish to finance the startup costs of your Franchised Business, we may, in our discretion, provide financing to you in the form of a promissory note we refer to as the **"Startup Costs Note"**. The principal of the Startup Costs Note is intended to cover all or a portion of your cost to remodel and open your Franchised Business. This financing is only available if you meet our credit standards. Financing of startup costs may be denied to you in our sole and absolute discretion. If we do agree to make the loan there will be no payments for 12 months, but interest does accrue. Interest is the lower of: (i) 12% per annum or (ii) the highest allowed by law, At the end of the 13th month, principal and interest payments will begin based on capitalized amount equally amortized over 60 months.

Line of Credit

The Line of Credit Note (**"Line of Credit"**) attached as **Exhibit L**, is intended to provide a moderate amount of money over a short term to assist you with your operational needs if needed. The term is 2 years with interest at the lower of: (i) 12% per annum or (ii) the highest allowed by law. Because the amount outstanding at any one time will vary, payments will be the higher of (i) $1,500 per month or (ii) that monthly amount consisting of the principal and interest payment based on a 24-month amortization of the then outstanding principal, determined each month. Interest accrues and the term are based on the date any funds are advanced.

Item 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

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

Pre-Opening Obligations:

Before you open your franchise for business, we will do the following:

1. Together we will mutually agree on your proposed Franchised Business site within 6 months of signing the Franchise Agreement. In order to provide us time to review your proposed

Franchised Business site and meet that deadline, you must use your best efforts to seek and select a mutually agreeable site within 150 days after signing the Franchise Agreement. You must then obtain lawful possession of the Premises through lease or purchase within 30 days of our approval of the site. The site must meet our criteria for demographics; traffic count; parking; ingress and egress; neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We require that your Franchised Business's size be approximately 1,600 to 1,800 square feet. Franchised Businesses are typically in high-traffic strip malls. For each proposed site, you must submit to us a description of the site and any other information that we may require. We will not unreasonably withhold approval of a site that meets our standards. If you fail to identify a mutually agreeable site by the established deadline, then we may terminate your Franchise Agreement. (Franchise Agreement – Section 3.1). Franchisor does not typically purchase or own the premises that you will lease.

Under the Area Development Agreement, you provide us with your selected location for each future franchise which we must approve based on the then-current standards for site locations. We will measure the radius using an appropriate mapping program that provides a clear understanding of distances and other features.

2. Identify the equipment, signs, fixtures, opening inventory, supplies, and services you must use to develop and operate your Franchised Business, the minimum standards and specifications that you must satisfy and the designated and approved suppliers from whom you must or may buy or lease these items (which might be limited to or include us and/or our affiliates). We do not deliver or install these items. (Franchise Agreement – Section 5.1). See Item 8 for additional information.

3. Give you access to 100% U/Online Training Platform ("Platform"), which may be provided to you via online access, which contains our mandatory and suggested specifications, standards and procedures for operating your Franchised Business (Franchise Agreement – Section 5.1-5.2). **Exhibit D** to this Disclosure Document sets forth the Table of Contents for our Platform which is approximately 150 pages in length. The Platform may be composed of or include electronic files with remote password protected access, audio files, video, computer disks, compact disks, and/or other written or intangible materials. We may make all or part of the Platform available to you through various means, including the Internet. The Platform contains our System Standards and information about your other obligations under the Franchise Agreement. We may modify the Platform periodically to reflect changes in System Standards. If you and we have a dispute over the contents of the Platform, then the master copy of the Platform that we maintain will control. The Platform is confidential, and you may not copy, duplicate, record or otherwise reproduce any part of it. See Item 14 for additional information regarding our Platform.

You must adhere to our brand rules which are listed in our Chiropractic Brand Manual and considered part of the Platform.

4. Provide you with specifications for the computer system. See below for additional information about these specifications.

5. Before your Franchised Business opens, we will arrange for training at our approved training office for two to four weeks with a minimum of two weeks at the rate of $1,500 per week payable by you to the hosting office for its time and resources. All travel and accommodations are the responsibility of the franchisee.

You (if you are an individual) or at least one of your Principal Owners as defined in your Franchise Agreement (if you are a legal entity), your Chiropractic Assistant (but see below), any licensed chiropractor practicing at the Franchised Business, and other members of your management team that we designate must complete our initial training program to our satisfaction. The training program includes classroom instruction, Franchised Business operation training and/or on-the-job Franchised Business operation training at either a training facility or a location we designate. You must also pay any wages owed to, and all travel, lodging, meal, and transportation expenses incurred by, any and all of your personnel who attend the training programs. All persons who attend our initial training program must complete it to our satisfaction. Any further training is at our then-current fee.

6. Provide at our expense any assistance that we believe is necessary to assist you in opening your Franchised Business and with your operations, staff training, setup, acquisition of equipment, grand opening, and in any other areas that we determine you may need our assistance. (Franchise Agreement – Section 3.6).

7. At our discretion guarantee your lease if the landlord requires it or enter into the lease ourselves and sublet the premises to you. If we sublet the premises to you, you and your owners must personally guarantee those obligations to us. (Franchise Agreement – Section 3.1(b)).

Time to Open:

Unless we agree otherwise, you must open your Franchised Business within 12 months after signing your Franchise Agreement. We estimate that Franchised Businesses will typically open for business approximately 3 to 9 months after signing the Franchise Agreement. Factors affecting this length of time include locating a site for the Premises and signing a lease, construction or remodeling of the site (if required), completion of required training, financing arrangements, local ordinance and building code compliance, delivery and installation of equipment, and hiring and training of your staff (Franchise Agreement – Section 3.1).

Post-Opening Obligations:

After your Franchised Business opens for business, we or our designee will:

1. Offer you direction and support, as we deem appropriate and necessary in our sole discretion, in the following areas: (i) the products and services approved for sale by the Franchised Business, and specifications, standards, and operating procedures used by Franchised Businesses; (ii) purchasing approved equipment, furnishings, signs, products, materials, and supplies; (iii) development and implementation of local advertising and promotional programs; (iv) administrative, bookkeeping, accounting, inventory control and management procedures; and (v) specify any approved brands, types and/or models of equipment, furniture, fixtures, and signs (Franchise Agreement – Section 5.1).

2. Continue providing you with online access to our Platform (Franchise Agreement – Sections 5.1-5.2).

3. Permit you to use our Marks and confidential information in operating your Franchised Business as authorized under the Franchise Agreement (Franchise Agreement – Sections 7 and 9). You must use the Marks and confidential information only as expressly authorized under the terms of the Franchise Agreement. See Items 13 and 14 for additional information.

4. Indemnify you against damages for which you are held liable in any proceeding arising out of your use of our Marks, so long as your use of the Marks was in compliance with the Franchise Agreement and our specifications and reimburse you for costs you incur in defending against any such claim, assuming the claim is not due to your misuse of the Mark(s).

5. Provide you with additional, on-going, and supplemental training programs (Franchise Agreement – Section 4) as we deem appropriate. We may hold mandatory and optional training programs for you and your staff regarding new techniques, services or products, and other appropriate subjects. We may decide to hold these training programs at our own initiative, or in response to your request for additional or special training. We will determine the location, frequency, and instructors of these training programs. We do not charge you a daily attendance fee for each trainee of yours who attends any mandatory training program. We may charge such a fee at a mutually agreed rate for optional training you may request. (see Item 6). You must pay this fee to us in a lump sum before the training program begins. You must pay for all travel, lodging, meals, and personal expenses related to your and your employee's attendance. (Franchise Agreement – Section 4.3).

6. Review and approve or disapprove advertising, marketing, and promotional materials you propose for use (Franchise Agreement – Section 11.2).

7. As we consider advisable, perform inspections and/or audits of your Franchised Business, including evaluations of your administrative staff and their training and equipment. We may also consult with the P.C. regarding their staff, provided the P.C. will, at all times, retain control over its staff and treatment of patients and ultimate evaluations. (Franchise Agreement – Section 13.1). We may offer additional guidance and training based on the results of these inspections and/or audits.

Additional Mandatory Training Programs

(1) Kick Start Program. You are required to participate in our "Kick Start" training program within the first 6 weeks after you open the Franchised Business. We estimate the fees and out of pocket costs and expenses associated with the Kick Start program to range between $3,800 to $11,500. $2,500 to be paid to a non-doctor trainer and $3,500 if the trainer is a doctor, (with a bonus of $500 payable to the trainer if the office does $10,000 in collections during the week of the "Kick Start" program) plus additional cost for travel and accommodations, including $50 per diem per day for food per person.

(2) Chiropractic Assistants are required to train for a minimum of one (1) week in person at $750 per week payable to the host office, plus travel and accommodation cost and the travel and

accommodation cost of a consultant (if applicable). If special arrangements are needed regarding a time frame for training, these arrangements must be approved by us or our affiliate. This training is in addition to the online training resources we offer (Franchise Agreement – Section 4.1).

Optional Training Programs

(1) We may organize and provide Chiropractic Assistant Pop Up Camps in areas represented by one or more System offices. If offered, these 2-day camps are estimated to cost $249 per Chiropractic Assistant and are subject to change.

(2) "Powwow" Program – We may organize and provide a one-day supplementary training session (tentatively scheduled for April) that is designed to supplement our bi-annual Tribe conventions. We reserve the right to charge an attendance fee for the Powwow Program, which may vary depending upon where the training is held and how many of your representatives attend.

(2) We may organize and provide our "Jumpstart" program, which may be provided by either a Chiropractic Assistant or Doctor. This discretionary program is intended to assist our franchisees who may need additional assistance in setting up and/or running their clinic.

Jumpstart Fee

- 3 Day Jumpstart (Monday, Tuesday and Wednesday)

Jumpstart Doctor: $3500 for the 3 days plus a $500 bonus if the office collects $10,000 for the 3 days.

Jumpstart Chiropractic Assistant: $2500 for the 3 days plus a $500 bonus if the office collects $10,000 for the 3 days.

- 5 Day Jumpstart (Monday, Tuesday, Wednesday, Thursday, and Friday)

Jumpstart Doctor: $4500 for the 5 days plus a $500 bonus if the office collects $15,000 for the 5 days

Jumpstart Chiropractic Assistant: $3500 for the 5 days plus a $500 bonus if the office collects $15,000 for the 5 days.

All fees are paid to our affiliate supplier. In addition to the amounts listed above, you are responsible for paying for all travel, accommodations, and other costs associated with attending the JumpStart program.

Advertising/Marketing:

Advertising by You

You will be responsible for the local marketing of your Franchised Business, including the listing and advertising of your Franchised Business in online telephone directories, map applications

(such as Google Maps), social media, or other marketing methods targeting your market area. You must only use those materials that we approve. If you do not receive our written disapproval within 15 days from the date the materials are delivered to us, then the materials will be deemed approved. The approval of the marketing or advertising material is valid for one year, unless we send you written notice of disapproval. Any materials you prepare to promote your Franchised Business are considered our property including any social media, webpages, or other materials prepared or provided by you, and any followers, likes, upvotes, or other associated reputational value. You agree to make us the sole administrator of any of your social media, webpages, or other internet-based materials and to transfer those to us if you should cease to be a franchisee.

You must pay $1,700 - $2,599 per month (or current fee charged by the social media company) for the Social Media marketing services provided by our designated vendor. The vendor could increase this fee although we will work with them to minimize any increase. We may in our discretion require you to license, purchase or otherwise acquire additional or different social media and other marketing programs although these "ad buy" purchases you may make are not included in the Social Media marketing described above, and the recommended amount for these additional or different purchases is $1,500 to $6,000 depending on the market where the Franchise is located.

We may require you to join and participate in a 100% Advertising Cooperative ("Co-op"), which is an association of all other Franchise Owners whose Franchised Businesses are located within your Area of Dominant Influence ("ADI"). An ADI is a geographic market designation that defines a broadcast media market, consisting of all counties in which the home market stations receive a preponderance of viewing. One function of the Co-op is to establish a local advertising pool, of which the funds must be used for the ADI's advertising only and for the mutual benefit of each Co-op member. We may allocate in our discretion a portion of the Marketing Fee we collect to each Co-op. (Franchise Agreement – Section 11.3). As of the date of this Disclosure Document, there are no Advertising Co-ops. We do have the right to create co-ops or additional co-ops and to decide how they will be run. The specific manner in which any future co-ops will be organized and governed has yet to be determined.

Advertising by Us

We have established one or more national and/or regional advertising funds (the "Marketing Fund(s)") for our Franchised Businesses to carry out those marketing and promotional programs we consider essential or appropriate for the System (Franchise Agreement – Section 11.1). We may choose to use only one Marketing Fund to meet the needs of regional, multi-regional, and national advertising and promotional programs. Each Franchised Business is required to contribute to the Marketing Funds the amounts that we periodically require. The current contribution amount is a flat fee of $800 per month. See Item 6 for the amount of your required contribution to Marketing Funds along with other fees in the chart. In the event we choose to change the required contribution amount, which we may do at our sole and absolute discretion, we will provide you with 30 days' advance written notice of the change. The Marketing Fee will not exceed $1,050 per month during the Term.

We or our designee will oversee and have complete control over all aspects of the marketing programs financed by the Marketing Funds, up to and including creative concepts, materials and endorsements used by the Ad Funds, and the market, geographic and media placement and allocation of the Marketing Funds. We are not required to make marketing fund contributions for our company owned clinics.

We may use the Marketing Funds, as we determine in our sole discretion, to pay the costs of: administering regional, multi-regional, and/or national advertising programs, including purchasing direct mail and other media advertising; employing advertising agencies and supporting public relations, market research, and other advertising/ marketing firms; and paying for those services we consider appropriate, including the costs of participating in any national or regional trade shows (Franchise Agreement – Section 11.1).

We may use Marketing Funds to participate in advertising and promotional programs that benefit only one or more regionals, and not necessarily all Marketing Funds. We will not use the Marketing Funds for advertising that is principally for the solicitation for the sale of franchises. We may include statements about the availability of information regarding the franchise opportunity and the purchase of a franchise in any advertising or other items produced, circulated and/or distributed using Marketing Funds.

The Marketing Funds will be accounted for separately from our other funds and will not be used to pay any of our general operating expenses, except for salaries, administrative costs, and overhead that we incur in activities reasonably related to the administration of the Funds including preparing advertising and marketing materials and collecting and accounting for contributions to the Marketing Funds. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Marketing Fund in that year, and the Marketing Funds may borrow from us or other lenders to cover the Marketing Funds' deficits or invest any surplus for future use by the Marketing Funds. We will prepare an internal, unaudited annual statement of monies collected and costs incurred by each Ad Fund. If you submit a written request for a copy of the statement on or before March 1st of the calendar year immediately following the year for which you are requesting the statement, we will provide a copy of the statement to you once we complete and issue it. The statement and the Marketing Funds will not be audited. We have no fiduciary duty to you, or to any System franchisee, or to your owners, including with regard to the creation, administration, development and/or operation of the Marketing Fund.

We may authorize any Marketing Fund to be incorporated or run through an entity separate from us as we consider appropriate, and the entity will have the same authorization and responsibilities as we do under the Franchise Agreement. The Marketing Funds will be intended to enhance the profile of the Marks and to increase the franchise opportunities available through our franchises. We will aim to use the Marketing Funds to develop advertising and marketing materials and programs and place advertising that will benefit all Franchised Businesses, but we are under no contractual obligation to ensure that any or all Franchised Businesses will benefit. We are not required to ensure or otherwise see to it that the Marketing Funds' expenditures in or affecting any geographic area are equal or comparable to the contributions made by Franchised Businesses in that geographic area, or that any Franchised Business will benefit from the development of

advertising and marketing materials or the placement of advertising by the Marketing Funds directly or in proportion to the Franchised Business's contribution to the Marketing Funds. We assume no liability or obligation to you or any other Franchised Business in connection with the establishment of any Marketing Fund, or the collection, administration, or disbursement of monies paid into any Marketing Fund.

We may discontinue contributions to, any Marketing Fund for any period we consider appropriate and may terminate the Marketing Fund upon 30 days' written notice to you. All unspent monies held by the Marketing Fund will be distributed to those who made contribution in proportion to each party's respective contributions to the Marketing Fund during the preceding 12-month period.

For the year ending December 31, 2023, the Marketing Fund spent monies that had been contributed to it in the following categories and percentages:

Website Optimization/Hosting: 0.16%
Email: 2.19%
Digital/Print Advertising: 1.77%
Administrative: 84.84%
Promotional Materials: 11.04%

Other than the spending described from the Marketing Fund, we are not required and do not expect to spend any of our own funds for your advertising.

As of the date of this Disclosure Document we have no Ad Council.

We may become the required supplier of digital marketing and advertising services. If we do, you will be required to discontinue using any of your current suppliers for these services upon expiration of any existing contracts for these services, or within 30 days of receiving notice from us that we will be providing these services, whichever occurs first.

Technology:

You are required to use the computer hardware and software (collectively, "Computer System") that we designate to operate your Franchised Business (Franchise Agreement – Sections 3.4 and 6.7). You must update the Computer System, software licenses, maintenance and support services, and other related services from the vendors we authorize (which may include or be limited to us and/or our affiliates). (See Item 7 for more information regarding the cost of the Computer System) We may occasionally alter the specifications for, and components of, the Computer System. These modifications and/or other technological developments may require you to purchase or lease by license new or modified computer hardware and/or software and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes. We have no responsibility to reimburse you for any of these costs. You must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly within 60 days' notice from us.

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

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

Your Computer System must be capable of supporting our required software, with Internet capability, and accessible by us remotely. You may also be required to purchase certain customer contact software and financial software, and to pay associated monthly charges. We estimate the cost of purchasing the Computer System and related software and associated equipment will range from $19,000 to $25,000. You must pay a monthly Technology Fee of $1,250 which will include but not be limited to the following types of services, products, required vendors and areas and may be expanded or reduced as determined by the Franchisor: Training Software, IT Support, Business Music License, Payroll company, up to 6 company email accounts, digital signage, EHR software, Network Software License updates, Franchise Financial Sharing Software, and other required franchisor subscriptions. This Fee and these services are in addition to those described elsewhere in this Franchise Agreement. This fee is collected by us on the first day of each month, or the next business day if the first falls on a weekend or holiday. The Fee may be increased at our discretion but no more than the higher of $50 per month or the increase in the Cost-of-Living Index for All Cities US with a total maximum of $2,000 over the Term.

We also require you to obtain Quickbooks Online software ("QBO"), which must be purchased through the franchisor QBO Representative. QBO is not included in the Technology fee. The fee for this subscription is $50/month as of the issuance date of this disclosure document. You will also be required to pay the monthly cost of maintaining high-speed Internet access at your site. There are certain related expenses (often referred to as "pass throughs") you will incur in connection with the use of your software, which may include (among other expenses) the following: insurance eligibility, claims status, submissions and text messaging all charged at the current vendor fees which may change.

We will have independent access to the information that will be generated and stored on your Computer System. There are no limitations on when or how we may access such information. We may require you to make us an administrator on any computer system. We do not have any contractual obligation for maintenance, repairs, updates and upgrades to your computer system.

Table of Contents of Online Platform:

The Table of Contents of our online Platform is attached to this Franchise Disclosure Document as **Exhibit D**.

Training Program (Franchise Agreement – Section 4.2):

Our initial training program currently includes the following:

TRAINING PROGRAM

Subject Matter	Hours of Classroom Training	Hours of On The Job Training	Location of the Training
Online 100% U Training	10	0	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Initial Epic Billing Training	5	3	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Zoom Training on Chiropractic Assistant Duties	4	-	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
QuickBooks Training	2	2	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Ongoing Profit and Loss Review	4	10	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Social Media Marketing	2	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
How to Create Marketing Videos	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Adjusting Tables	-	2	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Patient Software	1	2	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics

Subject Matter	Hours of Classroom Training	Hours of On The Job Training	Location of the Training
Inputting SOAP Notes	1	2	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Empowerment Sessions	1	10	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Shadow Training with Doctor	-	15	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Office Tours	-	3	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Initial Discovery Exams	1	10	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
X-Rays	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Understanding Financials and Executing Them	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Diagnosis Codes and SOAP Notes	1	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Pre-Shift and Post-Shift Meetings	1	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Solo Office Training Practice	-	Varies	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Marketing Events	-	5	100% U, Zoom Calls, and Various Operating

Subject Matter	Hours of Classroom Training	Hours of On The Job Training	Location of the Training
			100% Chiropractic Clinics
PI Case Management	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Preparation of Red Sheets for Staff	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Patient Interaction	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Table Talk	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
What to Expect After Patient's First Chiropractic Adjustment	-	3	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Explaining how Recommendations of Care are made to Patients	1	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
The Difference Between Cash and Insurance Accounts	-	5	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Leadership Skills as Doctor and Owner	-	25	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Back Office Organization	-	10	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Employee Relations	-	10	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics

Subject Matter	Hours of Classroom Training	Hours of On The Job Training	Location of the Training
Dinner with Doctors Marketing Training	-	3	100% U, Zoom Calls, and Various Operating 100% Chiropractic Clinics
Total	**34**	**148**	

Notes:

(1) Many of these subjects are incorporated during the course of the training program. We will be flexible in scheduling training. The classroom training program is required to be completed to our satisfaction prior to opening of the Franchised Business. On-the-job training will occur at a location which we may authorize, either your Franchised Business or the nearest clinic with an experienced doctor on staff.

(2) We may also occasionally offer additional or refresher training courses. These courses may be conducted at any location that the Company is using for such training.

(3) You and/or your employees will be responsible for all out-of-pocket expenses, in addition to the Training Fee, in connection with all training programs, including costs and expenses of transportation, lodging, meals, wages and employee benefits. We will notify you of any charges before you or your employees enroll in a course. The Company may charge you a non-attendance fee of up to $400 per day if you do not attend any required trainings, including our annual training conference. We may require all employees to take and pass our certification training program, which is a different program, which has no cost. We may require all employees and staff to pass such training to our satisfaction before they may begin working at your Franchised Business.

(4) There will be advance written notice to all Franchise Owners regarding class scheduled. Cancellation policies will be included in the written notice of class schedules.

(5) The Platform, lectures and handouts are the instruction materials for our training programs.

(6) The vast majority of the training is designed to train the clinic director/doctor and staff that will run the clinic. The franchisee (if not a chiropractor or a chiropractor not working in the practice) may decide based upon their personal preference how much of this training they wish to be a part of. There will be no travel required to a training office for the franchisee if they are not a doctor. The franchisee training will be tailored to them based upon their knowledge of both the profession and the running of a chiropractic clinic. While all resources are open to the non-doctor franchisee, it is up to them how much they choose to utilize these resources. There will be separate calls and training to discuss numbers, systems, expectations and best practices dedicated to the non-chiropractic franchisees.

(7) 100% Inc., which provides training services to the clinics in relation to documentation of medical services and other items, may access Protected Health Information (as that term is defined in HIPAA) of clinic patients in connection with the provision of these services. In accordance

with the requirements of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), you will sign a Business Associate Agreement with 100% Inc., which is attached as Exhibit K.

Our initial training program is supervised by our Chief Operating Officer, Dr. Hannah Staples. Dr. Staples has more than 9 years of experience in the chiropractic industry and has been with us or our affiliate(s) since 2020. We reserve the right to substitute additional trainers to cover portions of, or all of, the initial training program.

Item 12

TERRITORY

Franchise Agreement

We must approve the site you select for your Franchised Business before you sign a letter of intent or binding lease agreement. You must secure the site in compliance with the requirements and within the time set forth in the Franchise Agreement.

Under the Franchise Agreement, there is no minimum amount of territory in which we grant you the right in which to operate, however we reserve the right to grant a designated territory around the premises of your Franchised Business(es) at our discretion.

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

You must lease or purchase a site for the Premises that meets our requirements and that we have approved in writing within 180 days after execution of the Franchise Agreement. Our approval will be based upon a variety of factors including the viability of the location in relation to population, demographics, visibility, signage, access, parking, competition, projected growth in the area and other factors. If you do not secure an approved location within the 180-day period after execution of your Franchise Agreement, we have the right to terminate the Franchise Agreement.

We have to approve the relocation of your franchised business. We will use the same standards for the relocation as we follow when finding the location of a new franchise.

There are limitations on your right to solicit customers outside of your territory in using other channels of distributions such as internet, catalog sales, telemarketing, or other direct marketing to solicit and/or make sales outside your territory. We reserve the right to use alternative means of distribution, including the Internet, within your territory, under our principal trademarks or different trademarks. Should this ever result in us soliciting or accepting orders inside your territory, we are not required to pay you any compensation.

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

Area Development Agreement:

We may offer qualified candidates the opportunity to enter into an ADA. If you meet our qualifications and enter into an ADA with us, under the terms of the ADA you must develop and operate the number of Franchised Businesses within the development area designated in the ADA (the "Development Area"). We base the Development Area's size on population, demographics, site availability and various other factors. Together we and you will negotiate the number of Franchised Businesses you will be required to develop under the ADA to keep your development rights, and the dates by which you must open those locations (the "Development Schedule"). The Development Schedule will be determined through collaboration with us before you sign the ADA. We do reserve certain rights that might be competitive with you as described in the ADA. You may not develop or operate your Franchised Business(es) outside the Development Area. We may terminate the ADA if you do not satisfy your development obligations.

Under the Development Agreement, there is no minimum amount of territory in which we grant you the right in which to operate, however we reserve the right to grant (i) a development area in which you must locate each of the franchised businesses you are required to open and operate under the ADA, and/or (ii) a designated territory around the premises of your Franchised Business(es) at our discretion.

As to the Area Development Agreement, you will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Reserved Rights

During the term of the Franchise Agreement and/or Area Development Agreement, Franchisor reserves the right to:

(i) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by the Businesses, under trade names, trademarks, service marks and commercial symbols different from the Marks;

(ii) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, temporary facilities and Internet-based facilities), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Marks, and that sell products and/or services that are identical or similar to, and/or competitive with, those that our franchisees customarily sell;

(iii) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at a franchisee Business and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses

(or the franchisees or licensees of these businesses) are located or operating (including in the Development Area);

(iv) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at the Business, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Development Area; and

(v) engage in all other activities not expressly prohibited by this Agreement.

Item 13
TRADEMARKS

We grant you the right and license to use the Proprietary Marks and the System solely in connection with your Franchised Business under the terms of the Franchise Agreement.

We have the right to change or alter the Proprietary Marks at any time on notice to you. You are only allowed use the Proprietary Marks in the manner authorized by us and you may not contest the Company's ownership of or rights in the Proprietary Marks.

100%, Inc. owns and has licensed to us the right to use the following marks (each a "Proprietary Mark"), which have been registered on the Principal Register of the United States Patent and Trademark Office (the "USPTO"):

Trademark	Registration Number	Registration Date	Register
100% Chiropractic	4,894,493	February 2, 2016	Principal
	6,721,899	May 24, 2022	Principal
100 PERCENT CHIROPRACTIC	6,919,228	December 6, 2022	Principal

There are no agreements currently in effect that significantly limit our right to use or license the use of the Proprietary Marks in a manner material to the franchise. With respect to the Marks, there are currently no effective material determinations of the UPSTO, the Trademark Trial and Appeal

Board, or any state trademark administrator or court, or any pending infringement or cancellation proceeding.

We will indemnify against or reimburse for expenses you incur in defending claims of infringement or unfair competition arising out of your use of the Proprietary Marks assuming the claim is not due to your misuse of the Mark. You must notify us as soon as you become aware of the use, or claim of right to, a Proprietary Mark identical or confusingly similar to our Proprietary Marks. If litigation involving the Proprietary Marks is instituted or threatened against you, you must notify us promptly and cooperate with us in defending or settling the litigation. We will at our option, defend and control the defense of any proceeding relating to any Proprietary Marks.

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

Our affiliates have previously licensed the "100% Chiropractic" service mark to other chiropractic clinics, under which our affiliates have provided consulting and practice management services to such chiropractic clinics.

There are no pending material federal or state court litigation regarding the Franchisor's use or ownership rights in any trademark.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patent Rights. We own no rights in or to any patents that are material to the franchise.

Copyrights. We claim a copyright in and treat the information in the Platform as confidential trade secrets, but you are permitted to use the material as part of the franchise. We have not registered for any copyrights with the United States Copyright Office.

Confidential Online Platform. Under the Franchise Agreement, you must operate the Franchised Business in accordance with the standards, methods, policies, and procedures specified in the Platform. You will be given online access to the Platform for the Term of the Franchise Agreement, when you have completed the initial training program to our satisfaction. You must operate your Franchised Business strictly in accordance with the Platform.

You must always treat the Platform and related information (which may be created for or approved by use for the operation of your Franchise) as confidential. You are required to use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise make them available to any unauthorized person. The Platform will remain our sole property and your access to it will be revoked in the event that you cease to be a franchisee.

We have the right to revise the contents of the Platform, and you are required to comply with each new or changed provision. In the event of any dispute as to the contents of the Platform, the terms of the master copies maintained by us at our home office will be controlling.

Confidential Information. You must maintain all Confidential Information of the Company as confidential both during and after the Term of the Agreement. "Confidential Information" includes all information, data, techniques and know-how designated or treated by the Company as confidential and includes the Platform. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by us. You agree that all Confidential Information as defined above will be deemed a part of the Confidential Information protected under the Franchise Agreement.

See Item 15 below concerning your obligation to obtain confidentiality and non-competition agreements from persons involved in the Franchised Business.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchise Agreement requires that you be personally involved in the day-to-day operations of the Franchised Business and utilize your best efforts to promote and enhance its performance; while in some instances Franchise Owners will seek additional assistance for the labor-intensive portions of the business, we have built our reputation on owner participation and believe it is crucial for continued success.

Each individual who holds an ownership interest in the Franchise Owner must personally guarantee all of the obligations of the Franchise Owner under the Franchise Agreement. (See Exhibit 2.1 to the Franchise Agreement for the form of Guaranty) The Guaranty must be executed by the spouse(s) of the franchisee, and all its owners.

You must deliver executed covenants of confidentiality and non-competition from any Managers or any other persons who receives or has access to training and other Confidential Information (See Exhibit G for the form we currently use for the Confidentiality, Nondisclosure, and Noncompetition Agreement and Exhibit B to the Management Agreement for the form we currently use for health privacy nondisclosure (The "Business Associate" or "HIPAA" document). If we approve the use of another agreement format then it must be in a form satisfactory to us, at the least reflecting the terms of non-competition and confidentiality containing in the Franchise Agreement, and provide that we are a third-party beneficiary of, and have the independent right to enforce the covenants.

Item 16
RESTRICTIONS ON WHAT THE FRANCHISE OWNER MAY SELL

You are required to operate the Franchised Business with all specified methods, procedures, policies and standards of the System, as set forth in the Platform and in other writings issued by us from time to time. You are required to use the Premises solely for the operation of your Franchised Business and may not operate any other business at or from the Premises without our prior written consent.

You must provide and promote solely those items and services that we designate or approve. We may specify these designations and approvals in written communications, including in the Platform, which we have the right to modify. We may also require you to comply with different requirements (such as state or local licenses, training, marketing, insurance) before we will allow you to offer certain services.

You must develop, open, operate and market your Franchised Business in compliance with all applicable laws.

We retain the right to designate additional required or optional items and services and to withdraw any of our previous approvals. If we do, you must comply with the new requirements. There are no limitations on our right to designate additional or operational goods and services; however, such goods and services will be reasonably related to our franchise system or model.

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

Franchised Business Exclusivity Obligations. You, the Franchise Owner, are not permitted to offer products or services identical or similar to the products or services offered by 100% through any means other than your franchise. Failure to abide by this term may result in the immediate termination of your 100% franchise.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the franchise term	Section 2.1	10 years.
b. Renewal or extension	Section 2.5	Your renewal rights permit you to remain a franchisee after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to 1 renewal term of 10 years.

Provision	Section in Franchise or Other Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 2.5	You must: have substantially complied with your Franchise Agreement; given notice to us of your intent to renew between 12 and 24 months before the expiration of the initial term of the franchise; sign a new Franchise Agreement in our then-current form which may include terms and conditions materially different from those in the original Franchise Agreement; sign general release of claims against us and related parties (see **Exhibit J**); pay the applicable renewal fee (see Item 6); cure any defaults; and pay all amounts owed to us, our affiliates and anyone who has financed your startup costs.
d. Termination by franchisee	Not applicable	You have no right to terminate the Franchise Agreement except as allowed by any applicable law.
e. Termination by franchisor without cause	None	A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.
f. Termination by franchisor with cause	Sections 14.2, 14.4, 15.1	Various breaches of Franchise Agreement, including if there is a dispute between the owners of the Franchise that, in our opinion, threatens the

Provision	Section in Franchise or Other Agreement	Summary
		operation or success of the Franchise. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.
g. "Cause" defined – curable defaults	Section 15	You do not pay us within 10 days after written notice; you use, sell, or distribute unauthorized products; you fail to maintain a valid license to practice and/or fail to maintain compliance with state regulations; you do not comply with any other provision of the Franchise Agreement or specification, standard, or operating procedure and do not correct such failure within 20 days after written notice. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.

Provision	Section in Franchise or Other Agreement	Summary
h. "Cause" defined – non-curable defaults	Section 15	We can terminate if: You fail to timely develop or open the franchise; you abandon, surrender, transfer control of or do not actively operate the franchise or lose the right to occupy the franchise location; you or any Principal Owner make an unauthorized transfer or assignment of the franchise or its assets; you are adjudged a bankrupt, become insolvent, or make an assignment for the benefit of creditors; you or your Principal Owners are convicted of a felony, or are convicted or plead no contest to any crime or offense that adversely affects the reputation of the franchise and the goodwill of our Marks; you are involved in any action that adversely affects the reputation of the franchise and the goodwill of our Marks; you violate any health or safety law or ordinance or regulation, or operate the franchise in a way that creates a health or safety hazard; if the owners of the Franchise are in a dispute that, in our opinion, threatens the operation or success of the Franchise; or you fail on 3 or more occasions within any 12 month period to comply with the Franchise Agreement regardless of whether or not such failures to comply are corrected; underreporting Gross Revenue by 2% or more for payment of royalties (in a

Provision	Section in Franchise or Other Agreement	Summary
		reporting period), two or more times in any two year period. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.
i. Franchisee's obligations on termination/non-renewal	Section 16	Includes payment of money owed to us, our affiliates, and third parties who have financed your construction or start-up costs, cancellation of assumed names and transfer of phone numbers, cease using Proprietary Marks, cease operating Franchised Business, and no confusion with Proprietary Marks.
j. Assignment of contract by franchisor	Section 14.3	No restriction on right to transfer.
k. "Transfer" by franchisee – defined	Section 14	Includes assignment of Franchise Agreement, sale or merger of business entities, transfer of corporate stock, death of Franchise Owner or majority owner of Franchise Owner.
l. Our approval of transfer by you	Section 14.4	You need our prior written approval before you effectuate any transfer.
m. Conditions for our approval of transfer by you	Section 14.5	New owner must have sufficient business experience, aptitude and financial resources to operate the franchise; you must pay all amounts due us or our

Provision	Section in Franchise or Other Agreement	Summary
		affiliates; new owner and its Chiropractic Assistant must successfully complete our initial training program; your landlord must consent to transfer of the lease, if any; you must pay us a transfer fee (see Item 6); you and your Principal Owners must sign a general release in favor of us, our affiliates, and our and their officers, directors, employees and agents (see **Exhibit J**); if applicable, the new owner must agree to remodel to bring the franchise to current standards; and new owner must assume all obligations under your Franchise Agreement or, at our option, sign a new Franchise Agreement using our then-current form. We also may approve the material terms of the transfer and require that you subordinate any installment payments to the new owners' obligation to pay us.
n. Our right of first refusal to acquire your business	None	None
o. Our obligation to purchase your business	Section 16.6	We have no obligation to purchase your franchise upon termination or expiration of the Franchise Agreement.
p. Death or disability of you	Section 14.6	Franchise must be assigned by estate to approved buyer within 90 days.
q. Non-compete covenants during the term of the franchise	Section 9.2	You cannot be involved in a competitive business during the Term of the Agreement.

Provision	Section in Franchise or Other Agreement	Summary
r. Non-compete covenants after the franchise is terminated or expires	Section 9.2	No involvement in competing business for 2 years : (i) at the location from which you operated the Franchised Business; (ii) within a 25-mile radius of the location from which you operated the Franchised Business; (iii) at the premises of any other 100% franchise or licensed location; (iv) within 25 miles of the premises of any other 100% franchise or licensed location; (v) anywhere in the United States if the Competitive Business is engaged in the offer, sale and/or grant of franchise or license opportunities for the right to develop, open and /or operate any business that offers, markets, sells or provides Competitive Services.
s. Modification of the agreement	Section 20	Must be in writing by both sides.
t. Integration/merger clause	Section 20	Only the terms of the Franchise Agreement are binding. Any other promises are unenforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this Disclosure Document or any of its attachments or addenda.
u. Dispute resolution by arbitration or mediation	Section 17.7	Except for certain claims, we and you must mediate and, if not resolved through mediation, arbitrate all disputes in Scottsdale, Arizona.
v. Choice of forum	Section 17.11	Subject to state law, Arizona law applies.

Provision	Section in Franchise or Other Agreement	Summary
w. Choice of law	Section 17.11	Subject to state law, Arizona law applies.

AREA DEVELOPMENT AGREEMENT

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

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENTS	SUMMARY
a. Length of the term of the Area Development Agreement	Section 5	The rights granted under the Area Development Agreement expire on the date of our acceptance and signing of a Franchise Agreement for the last Chiropractic Clinic to be developed.
b. Renewal or extension of the term	Not Applicable	
c. Requirements for developer to renew or extend	Not Applicable	
d. Termination by developer	Not Applicable	The Area Development Agreement does not contain a provision allowing you to terminate the Area Development Agreement for any reason.
e. Termination by franchisor without cause	Not Applicable	The Area Development Agreement does not provide for termination without cause. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENTS	SUMMARY
f. Termination by franchisor with cause	Section 8	If you are in default of the Area Development Agreement, we will have cause to terminate the Area Development Agreement. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.
g. "Cause" defined – curable defaults	Not Applicable	The Area Development Agreement does not provide for defaults which can be cured. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.
h. "Cause" defined – non-curable defaults	Section 8	The Area Development Agreement will terminate automatically if you are adjudicated bankrupt or are otherwise involved in a bankruptcy proceeding, if a final judgment remains unsatisfied of record for 30 days or longer (unless bond is filed), if execution is levied against your business or property, if a mortgage or lien foreclosure suit is instituted against you and is not dismissed or in the process of being dismissed within 30 days, if you have failed to exercise options and enter into Franchise Agreements with us according to your Development Schedule, failed to comply with any other term or condition of the Area Development Agreement, make or attempt to make an unapproved transfer or assignment of the Area Development

PROVISION	SECTION IN AREA DEVELOPMENT AGREEMENT OR OTHER AGREEMENTS	SUMMARY
		Agreement, or if you fail to comply with the terms and conditions of any Franchise Agreement or other agreement between you and us. A termination of the development agreement does not allow us to terminate any individual opened unit although a termination of a single unit may result in a termination of the development agreement if it involves a breach or default under the terms of that franchise agreement, although such result will not affect any existing opened unit franchise.
i. Developer's obligations on termination/ non-renewal	Section 8(d)	You will lose your right to establish additional individual Chiropractic Clinic for which a Franchise Agreement has not been signed by us. A default under the Area Development Agreement will not be considered a default under the Franchise Agreements, unless specified otherwise. If you are in default of the Area Development Agreement, but are not in default under any one or all of your Franchise Agreements, you may continue to operate the existing Chiropractic Clinic(s) under the terms of their separate Franchise Agreements.
j. Assignment of contract by franchisor	Paragraph 9(a)	No restriction on our right to assign.
k. "Transfer" by developer - defined	Sections 1(b), 4, 6 and 9(c)	Includes transfer of assets and all rights under the contract or change of ownership.
l. Franchisor approval of transfer by developer	Section 9(c)	We have the right to approve all transfers by you.

m. Conditions for franchisor approval of transfer	Section 9(c)	For a transfer to a third party, the transferee must meet our qualifications, successfully complete the training program and sign the current Area Development Agreement. You will pay all sums owed to us and sign an agreement containing general release, as well as pay our then-current transfer fee. You must give us 90 days written notice before any sale or assignment of the Area Development Agreement and 15 days written notice of any received offer to buy your interest in the Area Development Agreement. You must give simultaneous written notice to us of any offer to sell an interest under the Area Development Agreement made by you.
n. Franchisor's right of first refusal to acquire developer's business	Section 9(d)	We have the right of first refusal to purchase your ownership interest or assets which are for sale and for which you have received a good faith offer to purchase.
o. Franchisor's option to purchase developer's business	Section 9(d)	We have 15 days from notice of the offer to purchase your ownership interest or your assets at the same terms as contained in the offer.
p. Death or disability of developer	Not Applicable	While your death or disability is not specifically addressed in the Area Development Agreement, a transfer of ownership upon the death of an owner of the area developer (or a transfer of the agreement upon your death if you are an individual) would be treated the same as any other transfer.
q. Non-competition covenants during the term of the franchise	Section 10(a)	You must not divert or attempt to divert any business or customer to a competitor, or perform any act which may harm the goodwill associated with the Marks and the System; employ or seek to employ any person then employed by us or another franchisee of a Chiropractic Clinic or otherwise cause that person to leave his or her employ; or own or otherwise have any interest in any "competitive business." You will also be bound by and comply with the covenants in each Franchise Agreement you sign with us. The covenants apply even if you have transferred your interest in the Area Development Agreement. The term "Competitive Business" means any business (other than a 100% Chiropractic Clinic) principally offering products substantially similar to the products and services than being offered by the majority of the 100%

		Chiropractic Clinics.
r. Non-competition covenants after the franchise is terminated or expires	Section 10(b)	You must not own or operate a Competitive Business for 2 years after the Area Development Agreement is terminated within the Designated Territory or within a 25-mile radius of any 100% Chiropractic Clinic. You will also be bound by and comply with the covenants in each Franchise Agreement signed with us. The covenants apply even if you have transferred your interest in the Area Development Agreement.
s. Modification of the Area Development Agreement	Section 16	The Area Development Agreement can be modified only by written agreement between us and you.
t. Integration/ merger/clause	Section 16	Only the terms of the Area Development Agreement are binding (subject to state law). However, nothing in the Area Development Agreement or any related agreement is intended to disclaim our representations made in the Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 19	The Area Development Agreement is subject to mandatory binding arbitration.
v. Choice of forum	Section 19(b)	Subject to state law, any action will be brought in the appropriate state or federal court in or closest to Scottsdale, Arizona.
w. Choice of law	Section 19 (g)	Subject to state law, Arizona law applies.

Item 18

PUBLIC FIGURES

The Company does not use any public figure to promote its 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.

2023 HISTORICAL DATA

Clinic Count

As of December 31, 2023, there were 118 Clinics in operation. We have excluded from this Item 19:

- 7 Clinics owned by us or our affiliates, which are not fully representative of the operations of our franchised clinics, and two (2) of which opened during the 2023 calendar year;
- 26 Clinics that opened within the fiscal year of 2023 and were not open for the entire 2023 year; and
- 2 Clinics that opened prior to 2023 but were only open part-time during the 2023 year.

There are 83 Clinics that are owned by franchisees and were open and operating in the United States for the entire year of 2023. These 83 Clinics shall be referred to as **SC Clinics** (Statistical Reporting Clinics).

Of these 83 Clinics, 74 Clinics reported their end-of-year financial information and shall be referred to as **NOI Clinics** (Net Operating Income Reporting Clinics).

Part I of this Item 19 discloses certain Gross Revenue, average patient visits, and average new patient information for the SC Clinics. For purposes of Item 19, "Gross Revenue" includes all revenues earned by the Clinics subtracted by patient refunds.

Part II of this Item 19 discloses additional financial performance information, including Average Net Operating Income and certain operating expenses, for the NOI Clinics.

In both Part I and Part II, we have separated the Clinics into quartiles based on their total Gross Revenue.

Written substantiation for the financial performance representation will be made available to franchisees upon reasonable request.

PART I

The information below has been provided by our software program. The 83 SC Clinics have been divided into quartiles based on the total Gross Revenue figures from Table 1 and they remain in these quartiles for Table 2 and Table 3.

Table 1: 2023 Average Annual Gross Revenue

Table 1 shows average Gross Revenue of the SC Clinics by quartile for the 2023 calendar year, as well as the count and percentage of SC Clinics within each quartile that exceeded the quartile's average Gross Revenue, during 2023.

Quartile	# of Clinics	Average Gross Revenue	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/Exceeded Average
1	20	$1,311,810	$1,917,386	$975,191	$1,259,897	9	45.00%
2	21	$821,275	$958,018	$713,810	$820,688	10	47.62%
3	21	$619,627	$700,012	$512,356	$624,856	12	57.14%
4	21	$394,379	$491,413	$163,037	$407,662	11	52.38%
Total SC Clinics	**83**	**$780,447**	**$1,917,386**	**$163,037**	**$700,012**	**34**	**40.96%**

Table 2: 2023 Average Number of Patient Visits per Week

Table 2 shows the average patients per week for the SC Clinics by quartiles (as defined by Gross Revenue from Table 1) as well as the count and percentage of SC Clinics within each quartile that exceeded the quartile's average patient visits per week, during 2023. Patient visits include New Patient Visits, Chiropractic Adjustment Visits and Massage Visits.

Quartile	# of Clinics	2023 Average Patient Visits per Week	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/Exceeded Average
1	20	399	676	241	385	9	45.00%
2	21	259	318	202	258	10	47.62%
3	21	207	283	160	203	9	42.86%
4	21	135	183	74	146	12	57.14%
Total SC Clinics	**83**	**248**	**676**	**74**	**226**	**35**	**42.17%**

Table 3: 2023 Average New Patients Per Month

Table 3 shows the Average New Patients per month for SC Clinics by quartiles (as defined by Gross Revenue from Table 1) as well as the count and percentage of SC Clinics within each quartile that exceeded the quartile's average new patients per month, during 2023.

Quartile	# of Clinics	2023 Average New Patients per Month	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/Exceeded Average
1	20	76	109	44	76	11	55.00%
2	21	62	87	46	61	10	47.62%
3	21	50	66	30	50	10	47.62%
4	21	46	66	28	45	9	42.86%
Total SC Clinics	**83**	**58**	**109**	**28**	**57**	**38**	**45.78%**

[Part II of Item 19 Continues Below]

PART II

The information below has been obtained from 74 NOI Clinics (which includes 68 Clinics with salaried doctors/clinic managers and 6 without) that provided us with 2023 financial information. The following expense categories are included in Part II of this Item 19, and "Net Operating Income" was calculated by subtracting these expenses from Gross Revenue for each Clinic:

Cost of Goods: Cost of Goods (Merchandise and Supplements)

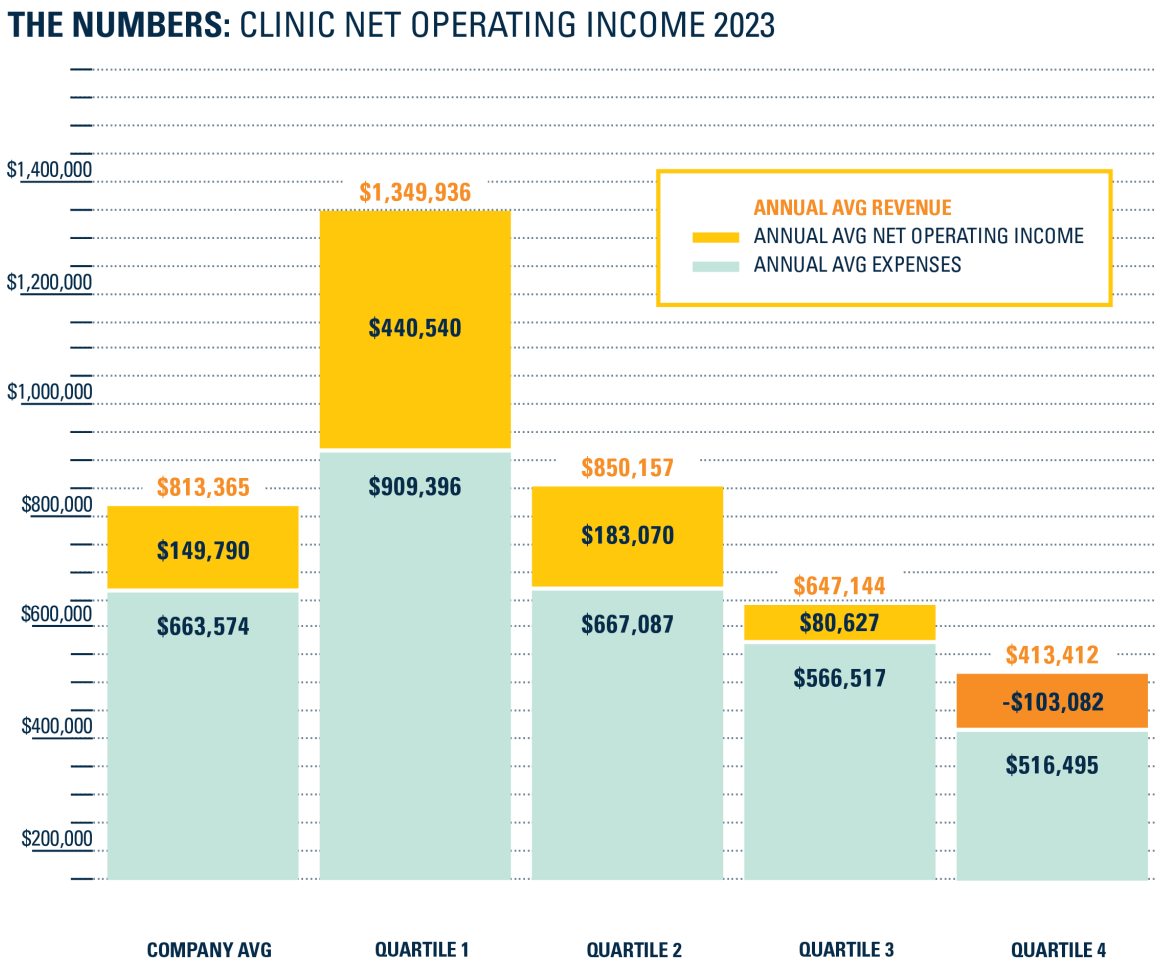
Labor: Employee Wages, Payroll Taxes, Payroll Expenses, Bonus, Employee Benefits, PC Fee

Facilities Expense: Rent, Repair and Maintenance, Utilities, Telephone & Internet Expenses, Property Taxes, Sales Tax, Cleaning & Janitorial

Insurance: Malpractice Insurance, Work Comp/Liability Insurance

Operating Expense: Royalty, Marketing Fee, Social Media Company, Ad Buy, Education & Training, Merchant (CC) Fees, Payroll Service Fees, Dues & Subscriptions, Office Supplies, Postage and Delivery, Small Signage, Technology Fee, Billing Fees

Chart 1: NOI Clinic 2023 Net Operating Income Chart



Tables 4 to 8: 2023 Net Operating Income

Table 4: All NOI Clinics

# of Clinics: 74	Average	% of Gross Revenue	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/ Exceeded Average
Average Total Revenue	**$813,364.74**	**100.00%**	**$1,914,104.91**	**$234,558.61**	**$734,662.63**	**30**	**40.54%**
Cost of Goods	$34,168.05	4.20%	$93,881.82	$2,247.86	$28,863.35	26	35.14%
Labor Expense	$291,799.14	35.88%	$640,043.56	$87,520.69	$270,560.69	34	45.95%
Facilities Expense	$86,368.06	10.62%	$182,586.58	$42,144.73	$83,255.11	35	47.30%
Insurance	$5,723.10	0.70%	$19,694.08	$1,014.40	$5,049.33	33	44.59%
Operating Expense	$245,515.94	30.19%	$446,586.13	$132,368.98	$234,022.35	31	41.89%
Total Expenses	**$663,574.28**	**81.58%**	**$1,182,847.88**	**$326,399.53**	**$642,217.25**	**29**	**39.19%**
Clinic Net Operating Income	**$149,790.46**	**18.42%**	**$780,558.71**	**-$278,971.71**	**$140,866.96**	**35**	**47.30%**

Table 5: Quartile 1 of NOI Clinics

# of Clinics: 18	Average	% of Gross Revenue	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/ Exceeded Average
Average Total Revenue	**$1,349,935.72**	**100.00%**	**$1,914,104.91**	**$1,036,363.44**	**$1,316,742.94**	**9**	**50.00%**
Cost of Goods	$58,101.49	4.30%	$93,881.82	$12,683.48	$55,447.41	8	44.44%
Labor Expense	$426,867.05	31.62%	$640,043.56	$256,663.78	$416,321.58	8	44.44%
Facilities Expense	$93,171.53	6.90%	$137,246.67	$53,057.88	$93,041.33	9	50.00%
Insurance	$8,736.51	0.65%	$19,694.08	$3,463.98	$8,349.21	8	44.44%
Operating Expense	$322,518.94	23.89%	$446,586.13	$238,306.38	$320,276.39	8	44.44%
Total Expenses	**$909,395.53**	**67.37%**	**$1,182,847.88**	**$649,286.40**	**$924,712.84**	**10**	**55.56%**
Clinic Net Operating Income	**$440,540.19**	**32.63%**	**$780,558.71**	**$166,264.73**	**$415,232.22**	**9**	**50.00%**

Table 6: Quartile 2 of NOI Clinics

# of Clinics: 19	Average	% of Gross Revenue	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/ Exceeded Average
Average Total Revenue	**$850,157.16**	**100.00%**	**$1,026,055.91**	**$735,389.36**	**$834,591.49**	**7**	**36.84%**
Cost of Goods	$33,147.10	3.90%	$56,060.50	$17,310.29	$31,007.26	8	42.11%
Labor Expense	$293,514.21	34.52%	$507,519.27	$135,030.61	$274,535.13	9	47.37%
Facilities Expense	$88,279.85	10.38%	$151,419.32	$59,591.04	$86,622.24	7	36.84%
Insurance	$5,778.34	0.68%	$10,137.50	$1,927.23	$5,613.58	9	47.37%
Operating Expense	$246,367.56	28.98%	$277,158.94	$203,976.73	$249,575.25	11	57.89%
Total Expenses	**$667,087.05**	**78.47%**	**$931,516.20**	**$494,454.43**	**$654,308.70**	**7**	**36.84%**
Clinic Net Operating Income	**$183,070.11**	**21.53%**	**$422,421.32**	**$10,362.86**	**$159,878.80**	**7**	**36.84%**

Table 7: Quartile 3 of NOI Clinics

# of Clinics: 19	Average	% of Gross Revenue	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/ Exceeded Average
Average Total Revenue	**$647,144.16**	**100.00%**	**$733,935.90**	**$540,231.40**	**$663,522.72**	**10**	**52.63%**
Cost of Goods	$26,222.16	4.05%	$49,568.19	$2,247.86	$26,195.84	9	47.37%
Labor Expense	$233,218.92	36.04%	$336,935.18	$99,123.38	$205,399.63	9	47.37%
Facilities Expense	$81,957.39	12.66%	$126,376.10	$42,445.38	$83,276.27	10	52.63%
Insurance	$4,660.16	0.72%	$10,596.91	$1,014.40	$4,119.84	8	42.11%
Operating Expense	$220,458.27	34.07%	$259,490.73	$177,393.69	$215,419.51	8	42.11%
Total Expenses	**$566,516.89**	**87.54%**	**$722,720.83**	**$415,051.39**	**$552,025.21**	**9**	**47.37%**
Clinic Net Operating Income	**$80,627.26**	**12.46%**	**$263,843.23**	**-$106,734.08**	**$79,241.67**	**9**	**47.37%**

Table 8: Quartile 4 of NOI Clinics

# of Clinics: 18	Average	% of Gross Revenue	MAX	MIN	Median	# Attained/ Exceeded Average	% Attained/ Exceeded Average
Average Total Revenue	**$413,412.37**	**100.00%**	**$528,735.86**	**$234,558.61**	**$420,099.77**	**9**	**50.00%**
Cost of Goods	$19,699.60	4.77%	$39,863.88	$9,157.93	$18,489.01	8	44.44%
Labor Expense	$216,755.55	52.43%	$359,561.55	$87,520.69	$219,506.37	9	50.00%
Facilities Expense	$82,202.29	19.88%	$182,586.58	$42,144.73	$77,908.01	7	38.89%
Insurance	$3,773.38	0.91%	$7,625.83	$1,349.37	$3,092.71	8	44.44%
Operating Expense	$194,063.76	46.94%	$230,487.79	$132,368.98	$199,788.91	11	61.11%
Total Expenses	**$516,494.57**	**124.93%**	**$667,662.56**	**$326,399.53**	**$517,153.85**	**9**	**50.00%**
Clinic Net Operating Income	**-$103,082.20**	**-24.93%**	**$169,366.40**	**-$278,971.71**	**-$135,457.70**	**7**	**38.89%**

Notes to Item 19

1. The 74 NOI Clinics disclosed in Part II of Item 19 average 53 months in operation, and 27 Clinics (36.49%) operated for the average period or longer. The 18 NOI Clinics in Quartile 1 averaged 67 months in operation, and 8 Clinics (44.44%) operated for the average period or longer. The 19 NOI Clinics in Quartile 2 averaged 55 months in operation, and 6 Clinics (31.58%) operated for the average period or longer. The 19 NOI Clinics in Quartile 3 averaged 55 months in operation, and 6 Clinics (31.58%) operated for the average period or longer. The 18 NOI Clinics in Quartile 4 averaged 34 months in operation, and 4 Clinics (22.22%) operated for the average period or longer.

2. The expenses for the NOI Reporting Clinics disclosed in Part II of this Item 19 contain only those specific expenses included in the above disclosures (and defined above). They do not include or reflect all operating expenses you will incur in connection with the operation of your Clinic.

3. The information presented in this Item 19 excludes tax liabilities. You will be responsible for all taxes incurred in connection with the operation of your Clinic. You are advised to consult with a tax professional before investing in this franchise opportunity.

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

Other than the preceding financial performance representation, we do not make any financial performance representation. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our corporate headquarters at

20551 N Pima Rd., Suite 100, Scottsdale, AZ 85255, and 719-217-0895, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION*

Table No. 1
Systemwide Outlet Summary
For Years 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
	2021	42	60	+18
	2022	60	89	+29
Franchised	2023	89	111	+22
	2021	2	4	+2
	2022	4	5	+1
Company Owned	2023	5	6	+1
	2021	44	64	+20
	2022	64	94	+30
Total Outlets	2023	94	117	+23

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)
For Years 2021 to 2023

State	Year	Number of Transfers
California	2021	0
	2022	0
	2023	3
Colorado	2021	1
	2022	1
	2023	1
Florida	2021	0
	2022	0
	2023	2
North Carolina	2021	0
	2022	1
	2023	1
South Carolina	2021	0
	2022	1
	2023	0
Texas	2021	0
	2022	1

State	Year	Number of Transfers
	2023	2
	2021	1
	2022	4
Total	2023	9

Table No. 3
Status of Franchised Outlets
For Years 2021 to 2023

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
	2021	0	2	0	0	0	0	2
	2022	2	1	0	0	1	0	2
Arizona	2023	2	1	0	0	0	0	3
	2021	1	2	0	0	0	0	6
	2022	3	4	0	0	0	0	7
California	2023	7	4	0	0	2	0	9
	2021	14	2	0	0	0	0	16
	2022	16	3	0	0	0	1	18
Colorado	2023	18	1	0	0	0	0	19
	2021	3	2	0	0	0	0	5
	2022	5	4	0	0	0	0	9
Florida	2023	9	6	0	0	0	0	15
	2021	13	3	0	0	0	0	16
	2022	16	3	0	0	0	0	19
Georgia	2023	19	1	0	0	0	0	20
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Idaho	2023	1	0	0	0	0	0	1
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Illinois	2023	1	0	0	0	1	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Iowa	2023	1	0	0	0	0	0	1
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Kentucky	2023	0	2	0	0	0	0	2
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Louisiana	2023	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Michigan	2023	2	1	0	0	0	0	3
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Missouri	2023	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
	2022	1	0	0	0	0	0	1
Montana	2023	1	0	0	0	0	0	1
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
New Jersey	2023	1	0	0	0	0	0	1
	2021	2	1	0	0	0	0	3
	2022	3	0	0	0	0	0	3
North Carolina	2023	3	1	0	0	0	0	4
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Oklahoma	2023	1	0	0	0	0	0	1
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Oregon	2023	0	1	0	0	0	0	1
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Pennsylvania	2023	0	2	0	0	0	0	2
	2021	0	1	0	0	0	0	1
	2022	1	2	0	0	0	0	3
South Carolina	2023	3	1	0	0	0	0	4
	2021	3	0	0	0	0	0	3
	2022	3	2	0	0	0	0	5
Tennessee	2023	5	0	0	0	0	0	5
	2021	2	3	0	0	0	0	5
	2022	5	8	0	0	0	0	13
Texas	2023	13	3	0	0	0	0	16
	2021	0	1	0	0	0	0	1
	2022	1	1	0	0	0	0	2
Utah	2023	2	0	0	0	0	0	2
	2021	**41**	**19**	**0**	**0**	**0**	**0**	**60**
	2022	**60**	**31**	**0**	**0**	**1**	**1**	**89**
Total	**2023**	**89**	**27**	**0**	**0**	**3**	**2**	**111**

Table No. 4
Status of Company-Owned Outlets
For Years 2021 to 2023

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
	2021	0	0	0	0	0	0
	2022	0	0	1	0	0	1
Arizona	2023	1	0	0	0	1	0
	2021	1	1	0	0	0	2

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
	2022	2	0	0	0	0	2
California	2023	2	0	2	0	0	4
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
Illinois	2023	0	0	1	0	0	1
	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2
Texas	2023	2	0	0	0	1	1
	2021	**2**	**2**	**0**	**0**	**0**	**4**
	2022	**4**	**0**	**1**	**0**	**0**	**5**
Total	**2023**	**5**	**0**	**3**	**0**	**2**	**6**

Some of the franchises set forth above were sold by our affiliate and continue to operate under a franchise agreement between them. This affiliate is no longer selling franchises.

Table No. 5
Projected New Franchised Outlets
As Of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal year
Alabama	1	0	0
California	5	5	0
Florida	16	5	0
Illinois	2	0	0
Louisiana	1	0	0
Michigan	5	0	0
Missouri	2	0	0
North Carolina	1	0	0
South Carolina	2	1	0
Texas	6	5	0
Virginia	11	0	0
Kentucky	1	0	0
Connecticut	1	0	0
Arizona	3	2	0
Oklahoma	1	0	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets In The Next Fiscal year
Ohio	1	0	0
New Jersey	0	1	0
Total	59	19	0

Exhibit H lists the names of all operating franchisees and their addresses and telephone numbers as of December 31, 2023. This exhibit also lists the franchisees who have signed Franchise Agreements whether they were in operation or not. **Exhibit I** lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Some of our franchisees have signed confidentiality clauses with our Predecessor during the last three years which would restrict their ability to speak openly about their experience with us and our Predecessor.

We have no Advisory Council staffed by any franchisees. Likewise, no independent franchisee organization has asked to be included in this Disclosure Document.

Item 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as **Exhibit E** are:

(i) audited financial statements for the period from October 5, 2021, to December 31, 2021, (ii) audited financial statements as of our fiscal year ended December 31, 2022, and (iii) audited financial statements as of our fiscal year ended December 31, 2023.

December 31 is our fiscal year end.

Item 22

CONTRACTS

Attached are copies of the following agreements relating to the offer of the franchise, but it is not a list of all the exhibits (please note that there are two exhibit lists, one for the FDD and one just for the Franchise Agreement):

Exhibit B Franchise Agreement
Exhibit 2.1 Guaranty of Franchise Agreement

	Exhibit 2.2- Guaranty of Promissory Note
	Exhibit 3.1 Lease Addendum
	Exhibit 3.2 Collateral Assignment of Lease
	Exhibit 4 Billing Agreement
Exhibit C	Promissory Notes / Security Agreement / UCC-1 Financing Statement
Exhibit F	Area Development Agreement
Exhibit J	General Release Agreement for Renewals
Exhibit K	Business Associate Agreement with 100%, Inc.
Exhibit L	Line of Credit Promissory Note
Exhibit M	Management Agreement
Exhibit N	Amendment to Waive Management Agreement

Item 23

RECEIPTS

Two copies of an acknowledgement of your receipt of this Disclosure Document appear at the end of this Disclosure Document. The Receipts are detachable and one copy must be signed by you and given to us. The other copy may be retained by you for your records. If this page or any other pages or exhibits are missing from your copy, please contact the Company at the address or phone number noted in Item 1.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

DIRECTORY OF FEDERAL, STATE AND CANADIAN FRANCHISE REGULATORS

FEDERAL

FEDERAL TRADE COMMISSION
Division of Marketing Practices
Seventh and Pennsylvania Avenues, N.W.
Room 238
Washington, D.C. 20580
202-326-2970

STATE FRANCHISE REGULATORS & AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
California Department of Financial Protection and Innovation
Commissioner for the Department of Financial Protection and Innovation
One Sansome Street #600
San Francisco, CA 94104
866-275-2677

CONNECTICUT
Connecticut Department of Banking
Securities Division
260 Constitution Plaza
Hartford, Connecticut 06103
800-831-7225

FLORIDA
State Department of Agriculture and Consumer Services
P.O. Box 6700 Suite 7200
Tallahassee, FL 32314-6700
850-410-3754

HAWAII
Commissioner of Securities of the State of Hawaii
Department of Commerce & Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street Room 203
Honolulu, Hawaii 96813
808-586-2722

ILLINOIS
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
217-782-4465

INDIANA
Chief Deputy Commissioner
Securities Divisions
302 West Washington Street Room E-111
Indianapolis, Indiana 46204
317-232-6681

MARYLAND
Securities Commissioner
Division of Securities
200 St. Paul Place 20th Floor
Baltimore, Maryland 21202-2020
410-576-6360

MICHIGAN
Consumer Protection Division
Franchise Administrator
670 G. Mennen Williams Building
252 West Ottawa Street
Lansing, Michigan 48909
517-373-7117

MINNESOTA
Market Assurance Divisions
Minnesota Department of Commerce
85 Seventh Place East Suite 500
St. Paul, Minnesota 55101
651-296-2211

NEW YORK
New York Secretary of State
One Commerce Plaza
99 Washington Avenue
Albany, New York 12231
518-473-2492

New York State Department of Law
Investor Protection Bureau
120 Broadway 23rd Floor
New York, New York 10271
212-416-8236

NORTH DAKOTA
Franchise Examiner
600 East Boulevard
5th Floor, Dept. 414
Bismarck, North Dakota 58505
701-328-2910

RHODE ISLAND
Department of Business Regulation
Division of Securities
1511 Pontiac Avenue Bldg. 69-2
Cranston, Rhode Island 02920
401-462-9527

SOUTH DAKOTA
Franchise Administrator
Division of Securities
124 S. Euclid Ave Suite 104
Pierre, South Dakota 57501
605-773-4823

TEXAS
Secretary of State
P.O. Box 12697
Austin, Texas 78711-2697
1019 Brazos
Austin, Texas 78701
512-463-5701

VIRGINIA
Clerk of the State Corporation Commission
1300 East Main St, 9th Floor
Richmond, Virginia 23219
804-371-9733

State Administrator:
State Corporation Commission
1300 East Main St. 9th Floor
Richmond, Virginia 23219
804-371-9051

WASHINGTON
Securities Administrator
150 Israel Road SW
Turnwater, Washington 98501
360-902-8760

WISCONSIN
Franchise Registration
Divisions of Securities
P.O. Box 1768
Madison, Wisconsin 53701
608-261-9140

EXHIBIT B

FRANCHISE AGREEMENT

TACTIC FRANCHISING, LLC

FRANCHISE AGREEMENT

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TACTIC FRANCHISING, LLC

FRANCHISE AGREEMENT

This Franchise Agreement (this or the **"Agreement"**) is dated _____, 20____ (the **"Agreement Date" or "Effective Date"**). The parties to this Agreement are TACTIC FRANCHISING, LLC, a Delaware limited liability company, (**"we," "us," the "Company," "100%", or "Franchisor"**); and _____, whose principal business address is _____(Show joint if there is also an entity) (**"you," "Franchise Owner," or "Franchisee"**), and, if you are a partnership, corporation, or limited liability company, your "Principal Owners" (defined below).

1. INTRODUCTION.

1.1 We have spent a great deal of time, effort and money to create and develop (and may continue to develop and modify) a system (the "System") for the operation of franchised businesses under the Marks (as defined below) that either:

(a) specialize in patient-centered holistic chiropractic care using whole spine corrective care methods, using as the basis for treatment x-ray films and observation of symptoms in accordance with the System and as set forth more fully in this Agreement (the "Clinic Services"); or

(b) provide certain non-chiropractic management and administrative services and support consistent with the System and as further set forth in the form of management agreement attached to this Agreement as Exhibit M to a duly formed and licensed chiropractic professional corporation (or a professional limited liability company, if permitted under applicable law) (each a "P.C.") pursuant to the terms of a legally compliant management agreement entered into by and between the franchisee and the P.C (the "Management Services").

1.2 We identify the System by the use of certain trademarks, service marks and other commercial symbols, including the marks "100% Chiropractic® and certain associated designs, artwork and logos, which we may change or add to from time to time (the **"Marks"**).

1.3 The franchised business licensed to you under this Agreement is referred to as the "Franchised Business." The term "Clinic" is used throughout this Agreement to refer to the business that specializes in providing Clinic Services. If you are a licensed chiropractor in the state in which your Franchised Business will operate, and are entering into this Agreement for the operation of the Franchised Business offering the Clinic Services, then the Franchised Business and the Clinic are one in the same (i.e. you are the franchisee and owner of the Clinic) If you are a corporation, partnership or limited liability company, certain provisions shall apply to those principal shareholders, partners or members on whose business skill, financial ability personal character we are relying in entering into this Agreement. Those individuals are referred to in this Agreement as **"Principal Owners."**

1.4 You acknowledge that you have conducted your own independent investigation of the franchise opportunity, the System and the 100% Franchised Business. You acknowledge that the chiropractic services industry is heavily regulated and that it is your responsibility and obligation under this Agreement to ensure that your development, opening and operation of the Franchised Business is in accordance with all applicable laws, rules and regulations, which may change and evolve over time. You further acknowledge and recognize that the nature of the Franchised Business may evolve and change over time, that an investment in a 100% Franchised Business also involves business risks, and that the success of this business is not guaranteed and is heavily dependent on your business abilities and efforts.

1.5 We have not made, and you acknowledge that you have not received or relied on, any guarantee (whether implied or express), representation, statement or promise: (a) as to the profits and/or revenues of any Franchised Business or other business operating under the Marks except as expressly disclosed in Item 19 of our Franchise Disclosure Document, or (b) as to the possibility of success of the 100% Franchised Business contemplated by this Agreement. You further acknowledge that neither we, nor our agents or affiliates have made any representations, promises or statements that are inconsistent with the statements made in our current Franchise Disclosure Document. You acknowledge that the Item 19 disclosure is not a representation of what your performance results will or may be and you agree that you are not relying on the Item 19 representation for that purpose. You further acknowledge that the Item 19 financial performance representation is only an historical representation of certain results certain franchised and/or affiliate- owned and operated businesses reportedly achieved during the periods referenced in the Item 19 disclosure.

1.6 You hereby represent and warrant, and your Principal Owners hereby represent and warrant, that in order to induce us to enter into this Agreement with you, you and your Principal Owners have not made any misrepresentations in the franchise application you submitted to us or in any other materials you provided to us, including financial information, before you entered into this Agreement. You acknowledge that we are relying on the information and application materials you submitted to us in entering into this Agreement with you.

2. GRANT**.**

2.1 Term.

Subject to the terms and conditions of this Agreement, we hereby grant you the right and license to develop and operate a Franchised Business under the System and the Marks for the Initial Term, unless sooner terminated, as provided in this Agreement. You agree to, at all times, perform your obligations under this Agreement, comply with its terms, and operate the Franchised Business offering all products, services, and proprietary programs we designate in accordance with the System and all applicable laws, rules and regulations.

You will operate the Franchised Business from a location that you are responsible for securing in accordance with the terms of this Agreement, which location must meet our standards and specifications and must be submitted to us for our prior approval before you sign any letter of intent or binding lease agreement (the **"Premises"**).

The initial term of this Agreement is 10 years from the Effective Date. Unless otherwise indicated elsewhere in this Agreement, upon termination or expiration of this Agreement, you will not have the right to operate the Franchised Business and must comply with all post-term obligations set forth in this Agreement. You must operate the Franchised Business, perform the obligations of this Agreement, and continuously exert your best efforts to promote the Franchised Business for the full term of this Agreement.

2.2 Management Agreement with P.C.—Franchisees that are not Licensed Chiropractors.

The following provisions will apply to Franchised Businesses for the provision of Management Services:

If you are entering into this Agreement for the operation of the Franchised Business providing Management Services, before you commence operations you must enter into a management agreement with the P.C. pursuant to which you will provide the Management Services to support the P.C.'s practice and its delivery of chiropractic services to patients, all of which must be in compliance with all applicable laws, rules and regulations. The form of the Management Agreement is included as an Exhibit to our Disclosure Document. It is your obligation to engage a local attorney to review the Management Agreement on your behalf to confirm that it complies with all applicable laws, rules and regulations. You must provide a copy of any and all proposed modifications to the Management Agreement to us before you enter into the Management Agreement with the P.C for our prior approval. We will not unreasonably withhold our approval of your attorney's proposed changes to the Management Agreement if such changes are consistent with applicable laws and regulations and the System.

It is your responsibility to promptly locate a licensed P.C. and enter into an approved Management Agreement with that P.C. Failure to do so will result in your inability to open your Franchised Business, triggering our right to terminate this Agreement, in which case you will not be entitled to receive any refund or return of the Initial Franchise Fee or any other fee or expenditure paid or expended under or in connection with this Agreement. You must submit the duly formed P.C. and the credentials of the chiropractor or other authorized professionals of the licensed P.C. for our review and approval. You are responsible for enforcing the P.C.'s performance of its obligations under the Management Agreement and for complying with your obligations thereunder.

Under this model, the P.C. will employ and control the professionally licensed personnel who will provide the chiropractic services to patients of the Clinic. You will not provide chiropractic services or any other medical services, nor will you supervise, direct, control, recommend or suggest to the P.C. or any of its licensed chiropractors or employees the manner in which the P.C. provides or may provide chiropractic services or any other medical services to its patients. You understand that we have no obligation to, and that we will not provide any chiropractic services. Further, we will not supervise, direct, control or suggest to the P.C. or any of its licensed chiropractors or employees the manner in which the P.C. or any licensed chiropractor or employee provides chiropractic services or any other medical services to its patients.

You acknowledge that there are various laws (federal and state) pertaining to the practice of chiropractic medicine, and the ownership and operation of chiropractic practices and health care businesses that provide chiropractic services. You further acknowledge that you, as a non-chiropractor Franchisee, will not engage in any practice that is, or that even may appear to be, the practice of chiropractic medicine. You must also cause all aspects of the business and its ownership and operation to comply with all state and federal laws that ensure the privacy and security of patient's individualized information.

2.3 Waiver of the Management Agreement.

In certain states, it may be permissible under applicable law for a non-chiropractor to own and operate a Franchised Business offering Clinic Services. Again, it is your responsibility to investigate all applicable laws, rules and regulations. If you are not a licensed chiropractor and you determine that applicable law permits you to operate the Franchised Business offering the Clinic Services through licensed chiropractors that you are permitted to hire, you may request that we waive the requirement that you operate the Franchised Business under the Management Services model. If we grant the waiver, (a) you must enter into our designated form of Waiver Agreement, a copy of which is attached as Exhibit N to the Disclosure Document pursuant to which you will agree that you will cause the Clinic to operate in accordance with all applicable laws, rules and regulations at all times and that you will manage the Clinic in accordance with this Agreement and the System, and (b) you will not be required to enter into the Management Agreement and you will operate the Franchised Business offering the Clinic Services through licensed chiropractors and professionals that you hire directly. You understand and agree that even if a waiver is granted, it is solely your responsibility to ensure that you are operating the Franchised Business in compliance with all applicable laws, rules and regulations, which you understand may change over time. If there is a change in any applicable law, rule or regulation applicable to the operation of your Franchised Business, you must immediately notify us of the change and the action items necessary to bring the Franchised Business into compliance with the modification.

We have the right to require you to make changes as may be necessary to comply with applicable law, including the requirement that you convert to the Management Services model and enter into a Management Agreement with a P.C.

2.4 No Territorial Rights and Exceptions.

You understand that the license granted to you under this Agreement is limited to the right to operate the Franchised Business at the Premises only. You are not granted any territorial rights or protections. You may face competition from us, our affiliates and other franchisees. We and our affiliates retain all rights, including, without limitation: (a) the right to develop, open and operate, and the right to grant others the right to develop, open and operate 100% Location franchises at any location on terms and conditions we deem appropriate; (b) the right to operate other healthcare-related concepts; and (c) the right to offer and sell franchise opportunities under other lines of business offering similar or dissimilar products and/or services under the Marks and/or such other trademarks or service marks as we determine anywhere, regardless of the proximity to the Premises.

2.5 Renewal.

(a) **Right to Renew**. You may renew this franchise for 1 additional term of 10 years (the "**Renewal Term**"), provided that you satisfy all of the following conditions:

1. You provide us with written notice of your election to renew not less than 180 days and not more than 270 days before the end of the Initial Term;

2. You are not in default of any provision of this Agreement or any other agreement between you and us;

3. You have substantially complied with your obligations under this Agreement during the Initial Term;

4. You sign our then-current form of Franchise Agreement, the terms of which may be materially different than the terms of this Agreement, and any other ancillary agreement we are then customarily using in the grant or renewal of franchises for the operation of 100% Chiropractic franchises;

5. You, your Principal Owners and your and their spouses sign a general release in the form we designate of any and all claims against us, our officers, directors, employees, affiliates, owners, agents, parents, successors and assigns;

6. You make such modifications and improvements to the Franchised Business to bring it into compliance with our then-current standards, including refurbishing and decorating the Premises, replacing fixtures, furnishings, wall decor equipment, and signs and otherwise modifying the Franchised Business;

7. You pay us a renewal fee of $5,000;

8. You comply with our then-current qualification and training requirements.

2.6 Personal Guaranty.

Each of the Principal Owners and their spouses (where applicable) shall execute a personal guaranty (the **"Guaranty"**), guaranteeing the Franchise's liabilities and obligations to the Company. A copy of the Guaranty is incorporated herein as **Exhibit 2**.

3. DEVELOPMENT AND OPENING.

3.1 Site Approval and Lease.

(a) You must lease, sublease or acquire an "Approved Site" (as defined below) for the Franchised Business in accordance with the requirements set forth in this Agreement within 6 months from the Effective Date. In order to provide us time to review your proposed site and meet this 6-month deadline, you must use your best efforts to seek and select a mutually agreeable

site within 150 days after signing this Agreement. Before you enter into a letter of intent or sign any lease agreement, you must submit to us, in the form we specify, a description of the site and such other information or materials as we may reasonably require. You must obtain our written approval of the proposed site for the Franchised Business before signing any letter of intent, lease, sublease or other document for the proposed site. We will not unreasonably withhold approval of a site that meets our standards for general location, traffic patterns, layout and other physical characteristics. Upon your receipt of our approval of the proposed site, the site will be deemed the "Approved Site". Our approval of a site shall not constitute, nor be deemed, a representation, warranty or promise that the Approved Site will be a success. If you fail to secure an Approved Site within the 6-month period, we may terminate this Agreement.

(b) You must secure the Approved Site through lease or purchase within 30 days of our approval of the Site. You agree that you will not execute a lease without our advance written approval of the lease terms. The lease for the Premises must include the Addendum to Lease, attached hereto as **Exhibit 3.1**, permitting us to take possession of the Premises under certain conditions if this Agreement is terminated, expires and is not renewed, or if you violate the terms of the lease. We will not guarantee your obligations under any Lease. We expect that the size of the premises will be between eighteen hundred (1,800) square feet and twenty-two hundred (2,200) square feet.

(c) You may operate the Franchised Business only from the Approved Site and you may not relocate the Franchised Business except with our prior written consent. You may only use the Premises for the operation of the Franchised Business and not for any other purpose.

(d) Unless we agree otherwise, you must open your franchise for business no later than 1 year from the Effective Date of this Agreement. The exception to the above time limit to open is that, if needed, you may pay for a 6-month extension for $5,000 or a 12 month extension for $12,000.

3.2 Prototype and Construction Plans.

You are responsible for developing the Franchised Business. We will provide you with a sample prototype of plans and specifications for your Location along with our requirements for design, decoration, furnishings, furniture, layout, equipment, fixtures, and signs. Using an architect we designate or approve, it will then be your responsibility, at your sole cost and expense, to have the sample prototype plans and specifications modified to comply with all applicable ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the Premises. You understand that it is entirely your responsibility to ensure that the buildout of the Premises complies with all applicable laws, including the Americans with Disabilities Act. You must submit final construction plans and specifications to us for our approval before you begin construction at the Premises and must construct the Franchised Business Premises in accordance with those approved plans and specifications. You must obtain and maintain all required permits and approvals and you are responsible for compliance with any and all applicable federal, state and local laws, codes and regulations.

3.3 Franchise Development.

You must open within a reasonable time after completing the training program to our satisfaction and providing any improvements, equipment or other requirements shown below but not later than as described herein. You will use your best efforts to accomplish the following by the Opening Deadline defined in **Exhibit 1**, at your sole cost and expense: (1) secure financing to develop the Franchise either through us or our affiliates, or a third-party; (2) obtain all required building, utility, sign, health, sanitation and business permits and licenses and any other required permits and licenses; (3) construct according to the approved plans and specifications; (4) decorate the Franchise location in compliance with the approved plans and specifications; (5) purchase and install all required equipment, furniture, furnishings and signs; (6) cause the training requirements of Section 4 to be completed; (7) purchase an opening inventory of products and other supplies and materials, as we designate or otherwise approve in writing; (8) provide satisfactory evidence to us, that your operation of the Franchise does not violate any applicable state or local zoning or land use laws ; (9) provide proof, in a form satisfactory to us, that you are legally authorized and have all licenses necessary to perform the services to be offered by your Franchise, and that your organizational structure is consistent with all legal requirements; (10) provide evidence satisfactory to us, that you have obtained all required insurance policies as required by this Agreement, your landlord, licensing authorities, any statute authorizing your entity, professional regulations, or any other statute, regulation, or ordinance, and have named us, as an additional insured under all such policies; (11) do any other acts necessary to open the Franchise for business; (12) obtain our approval to open the Franchise for business; and (13) open the Franchise for business.

3.4 Computer and Billing Systems

(a) **General Requirements**. You must obtain, maintain and use the computer products, hardware, software, systems and services we designate (the **"Computer System"**). You agree that we may modify such specifications and the components of the Computer System at any time during the term. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including a license to use proprietary software developed by us or others. Our modification of the components of the Computer System may require you to incur costs to obtain new or modified computer hardware and/or software, and to obtain service and support. You must obtain and comply with the Computer System requirements, including the purchase of computer hardware and software comprising the Computer System, at your sole cost and expense. Within 60 days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require. You further acknowledge and agree that we and our affiliates have the right to charge a reasonable systems fee for software or systems installation services; modifications and enhancements specifically made for us or our affiliates that are licensed to you; and other maintenance and support Computer System-related services that we or our affiliates furnish to you. You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded. You must provide us with uninterrupted access to the information stored in your Computer System and to those aspects of your Computer System we designate. There are no contractual limitations on our right to access your Computer System for information and data. Notwithstanding the foregoing, you must comply with all privacy laws, including HIPAA laws.

You will not be deemed in default of your obligations under this paragraph if you refuse to provide access to information that would cause you to be in violation of any HIPAA regulations.

(b) **Software**. You must install and use on a daily basis the designated management software which was developed for use in our System (the **"100% Software")** unless we designate otherwise in writing. In addition, we may, at any time contract with one or more software providers, business service providers, or other third parties (individually, a **"Service Provider"**) to develop, license, or otherwise provide to you and other 100% Franchises certain software, software applications, and software maintenance and support services related to the Computer System that you must or may use in accordance with our instructions with respect to your Computer System.

(c) **Billing**. Unless we designate otherwise, we will provide revenue cycle management services including billing and collection of all insurance billing sums owing to the P.C. You agree to sign the Billing Agreement attached to this Agreement as **Exhibit 4**, with our affiliate, 100% Epic, LLC.

(d) Subject to applicable laws, including those pertaining to privacy of consumer, employee and transactional information, you agree to provide to us and/or our designees the reports and information we request.

3.5 Equipment, Furniture, Fixtures, Furnishings and Signs.

You agree to use only those brands, types, and/or models of equipment, furniture, fixtures, furnishings, and signs we have approved. Notwithstanding the foregoing, you and we acknowledge and agree that the selection and use of any equipment and products used in connection with chiropractic services provided to Clinic patients will be subject to the Clinic's approval based on the professional opinion of the licensed chiropractors.

3.6 Opening.

You may not open for business until: (1) all of your obligations under Paragraphs 3.1 through 3.5 of this Section have been fulfilled; (2) we determine that the Franchise has been constructed, decorated, furnished, equipped, and stocked with materials and supplies in accordance with plans and specifications we have provided or approved; (3) you and any of your Franchise's employees whom we require complete our pre-opening Initial Training (as defined herein) to our satisfaction; (4) the Initial Franchise Fee (as defined herein) and all other amounts due to us have been paid to date; (5) you have furnished us with copies of all insurance policies required under this Agreement, or have provided us with appropriate alternative evidence of insurance coverage and payment of premiums as we have requested; (6) you have, if required, entered into a Management Agreement relationship with a duly formed and licensed P.C.; and (7) you have secured our approval of any marketing, advertising, and promotional materials you desire to use, as provided in Paragraph 11.2 of this Agreement.

The Company will provide assistance we believe is necessary to assist you with opening and operational efficiency, staff training, location setup and grand opening, or any in other areas that we determine you may need our assistance.

4. TRAINING**.**

4.1 Initial Training. You must meet certain training requirements before you can open: you, your Principal Owners, your office manager, and any other persons we designate (with you or your Principal Owners as **the "Key Persons"**) must complete our initial training program (**the "Initial Training"**) by attending at the time and place we designate. All Key Persons must complete the Initial Training to our satisfaction. Other employees may complete the Initial Training at your sole discretion and expense, provided you first obtain our approval and subject to availability of facilities and materials. Each person attending Initial Training must sign our designated or approved form of confidentiality and non-disclosure agreement before the commencement of the Initial Training. The Initial Training will be a combination of online resources, phone and Zoom calls and training "on location" at one or several of our current 100% Chiropractic offices. Our Initial Training programs may be different for each employee depending on their responsibilities at the Franchise. You are not permitted to open until your Key Persons successfully complete our Initial Training. If any of your Key Persons fail to complete the Initial Training to our satisfaction, we may terminate this Agreement. If you determine that we failed to provide Initial Training as required under this Agreement, you must provide written notification to us identifying any and all deficiencies in the Initial Training within 30 days after you open the Franchised Business for operation. You understand and agree that if you fail to provide this notice within the 30-day period after you open the Franchised Business, you will not and may not raise any claim or allegation against us alleging that we failed to provide Initial Training as required under this Agreement and we will be deemed to have satisfied our obligations under this Agreement relating to Initial Training.

4.2 Agreement to Undertake Additional Training. During the term of this Agreement, we have the right to require you and your Key Employees to attend and complete any and all additional training programs as we designate at places and times as we designate at your sole cost and expense.

4.3 Meetings/Other Trainings. In addition to providing the Initial Training described above, we reserve the right to offer additional ongoing training programs and franchise owners' meetings regarding such topics and at such times and locations as we may deem necessary. If we elect to offer such additional training programs and/or franchise owners' meetings, we reserve the right to require you to pay to us or our designee an additional training fee. The additional training fee will not be more than $300 per person per day. We also reserve the right to make any of these training programs mandatory for you and/or designated owners, employees, and/or representatives of yours. We currently hold biannual meetings throughout the United States that you must attend (the "Biannual Meetings"). Attendance at the Biannual Meetings is required for all doctor franchisees and doctors working for the 100% Chiropractic office. Attendance by all other franchisees is required at the all-company meeting in January, attendance at other Biannual Meetings is strongly encouraged but not required. While we currently charge no fees for attendance at Biannual Meetings, we reserve the right to charge a daily attendance fee in an amount to be set by us for each attendee of yours who attends any Biannual Meeting or other mandatory or optional training program or owners' meeting. You are responsible for your share of the cost of this training, including the Biannual Meetings for you and your staff that attend including, but not limited to, all lodging, travel and food expenses. If we offer any such mandatory training programs, then you or your designated personnel must attend all of the Biannual Meetings and a

minimum of 90% of other programs offered on an annual basis. In addition, if you fail to attend any required training, we reserve the right to charge you a non-attendance fee of up to $400 per day for each day of mandatory training programs or meetings you miss. You may avoid the $400/day failure to attend fee if you obtain written permission from us prior to any Biannual Meeting. We reserve the right to discontinue the Biannual Meetings at any time.

4.4 Expenses for Training. You must designate a licensed chiropractor who must train in a 100% Inc. approved training office for a minimum of 2 weeks at the rate of $1,500.00 per week, payable to the hosting office for its time and resources, unless we designate otherwise. You are responsible for all costs and expenses incurred in connection with the licensed chiropractor's attendance at the training, including, without limitation, travel, lodging and meal expenses. Chiropractic assistants must train for a minimum of a week in person and the rate for this is $750 per week payable to the host office. You must pay our then-current designated fee for all additional training. You must also pay all wages and compensation owed to, and travel, lodging, meal, transportation, and personal expenses incurred by, all of your personnel who attend our Initial Training and/or any mandatory or optional training we provide including, but not limited to, the Biannual Meetings.

4.5 Computer Training Course. We may require that you take and pass an online computer training course and you do the same with your employees. While there is currently no cost to take such training, you must have your employees and staff pass such training to our satisfaction before they may begin working at your Franchise location.

4.6 Certifications and Licenses. It is entirely your responsibility to, and you must, at all times during the term of this Agreement, obtain and maintain all certifications, approvals, licenses and permits required under applicable law. It is also your responsibility to ensure that all of your employees obtain and maintain all certifications, approvals, licenses and permits they are required to obtain and maintain under all applicable laws, rules and regulations at all times during the term.

4.7. Kick Start Program. We offer a "Kick Start" program which you are required to participate in within 6 weeks after you open the Franchised Business. You agree to pay to us and our designees all fees, costs and expenses associated with the Kick Start Program as we designate. We estimate the fees and out of pocket costs and expenses associated with the Kick Start program to range between $3,500 and $6,000.

4.8 Additional Training for Chiropractic Assistants. Although not required, we recommend an on-site additional program where a chiropractic assistant will work at the facility of another franchisee and receive assistance and training from that owner or when applicable a consultant. If you choose to take this program you must pay the owner of the facility where you work $750 per week that you attend, plus your own travel and accommodation cost and the travel and accommodation cost of any other consultant not on site. Occasional Chiropractic Assistant Pop up Camps may be offered in areas represented by 1 or more 100% Chiropractic offices. You are responsible for all charges, costs and expenses associated with attendance at any such pop-up camp. We anticipate that the daily charge for these 2-day camps will cost approximately $249 per Chiropractic Assistant in attendance for the 2 days, however this fee is subject to increase at any

time and does not include travel, lodging, meals or salary costs and expenses, which are your responsibility.

4.9 Delegation. You acknowledge and agree that we have the unrestricted right to delegate the performance of any of our obligations under this Agreement to any designee, whether or not affiliated with us. In the event of any such delegation, the designee will be obligated to perform the delegated obligation in compliance with the requirements set forth in this Agreement.

5. 100% U/ONLINE TRAINING PLATFORM**.**

5.1 Guidance and Assistance.

While you are a franchisee during the term we may from time to time furnish you guidance and assistance with respect to: (1) specifications, standards, and operating procedures used by Franchised Businesses; (2) purchasing approved equipment, furniture, furnishings, signs, materials and supplies; (3) development and implementation of local advertising and promotional programs; (4) general operating and management procedures; (5) establishing and conducting employee training programs for your Franchise; and (6) changes in any of the above that occur from time to time. This may, in our discretion, be furnished in the form of bulletins, written reports and recommendations, operations manuals and other written materials (the **"100% U/Online Training Platform," or "Platform"**), and/or telephone consultations and/or personal consultations. If you request, and if we agree to provide additional, special on-premises training of your personnel or other assistance in operating your Franchise, then you agree to pay a daily training fee in an amount to be set by us, and all expenses we incur in providing such training or assistance, including any wages or compensation owed to, and travel, lodging, transportation, and living expenses incurred by, our personnel.

5.2 100% U/Online Training Platform.

We give you access to the Platform, which will contain mandatory and suggested specifications, standards, and operating procedures that we prescribe. The Platform may be composed of or include audio recordings, video recordings, computer disks, compact disks, and/or other written or intangible materials. We may make all or part of the Platform available to you through various means, including the Internet. A previously delivered Platform may be superseded from time to time with replacement materials, which may include changes in the specifications, standards, operating procedures and other obligations in operating the Franchise. You are required to comply with the requirements of our then-current Platform. If there is any question over the contents of the Platform, then the master copy of the Platform that we maintain will control. You agree that you will not at any time copy any part of the Platform, permit it to be copied, or disclose it to anyone not having a need to know its contents for purposes of operating your Franchised Business and who has signed a confidentiality and non-disclosure agreement in a form we designate or approve.

You must adhere to our brand rules which are listed in our Chiropractic Brand Manual.

5.3 System Modifications.

You acknowledge that practices and technology change over time. We may review and analyze developments in the healthcare and chiropractic sectors, as well as developments in fields related to small-business management, and based upon our evaluation of this information, we may, in our sole discretion, make changes in the System, including but not limited to, adding new components to services offered and equipment used by 100% Location franchises. You must, to the fullest extent permissible under applicable law, comply with all such changes. You acknowledge that changes in laws regulating the services offered by 100% franchises may (a) require us to restructure our franchise program, (b) require you, your Principal Owners (if you are an entity) and your employees to obtain additional licenses or certifications, (c) require you to retain or establish relationships with additional professionals and specialists in the chiropractic and/or healthcare industries, and/or (d) require you to modify your ownership or organizational structure. You agree, at our request, to modify the operation of the Franchised Business to comply with all such changes, and to be solely responsible for all related costs.

5.4 Advisory Councils and Biannual Meetings.

We reserve the right to create, and if created, to subsequently dissolve, a franchise advisory council at any time during the term. We may require that you participate in, contribute dues to, and, if required, become a member of any advisory councils or similar organizations we form or organize for 100% Location franchises. You agree that you will submit to us any and all profit and loss and other statistical information we request in the form and manner we designate. You acknowledge and agree that we may require you to present your profit and loss and other statistical information at any Biannual Meeting or other meeting (including virtual meetings) as we designate. Currently the biannual meetings last three days for top-grossing Locations and two days for other Locations, which duration we may change in our discretion at any time.

6. FEES AND COSTS.

6.1 Initial Franchise Fee.

You agree to pay us the initial franchise fee of either (a) $300,000, if you qualify for and are approved to participate in our Initial Franchise Fee Finance Program (the "IFF Finance Program"), or (b) $51,000 (the **"Initial Franchise Fee"**) when you sign this Agreement. In recognition of the expenses we incur in furnishing assistance and services to you, you agree that we will have fully earned the Initial Franchise Fee, and that is due and non-refundable when you sign this Agreement.

6.1.1 IFF Finance Program. Upon approval to participate in the IFF Finance Program, you must pay us immediately upon execution of this Agreement the amount of $7,500, which shall be deemed fully earned and non-refundable under any circumstances upon payment. Concurrently with the execution of this Agreement, you agree to enter into a form of promissory note (the "IFF Finance Program Note") and adhere to the payment terms of the IFF Finance Program note for the duration of the Term of this Agreement, and any subsequent renewal terms, as applicable.

6.2 Royalty Fee.

You agree to pay us a continuing franchise royalty fee (**"Royalty Fee"**) in the amount of 6.5% of Gross Revenue. The amount of the Royalty Fee shall in no event be less than $2,500 per month, with a $1,500 minimum for the first 3 months beginning with the first month you become obligated to make this payment. If you become obligated on other than the first of the month, we will prorate the amount. We may increase this percentage fee each year during the term, based on the Cost-of-Living Index described below. You will become obligated to make this payment beginning at the earlier to occur of: (a) one week after the first day of the first month that your Franchised Business is open and in operation, or (b) the Opening Deadline which currently is one year from the Effective Date (Date of signing). We may increase this fee to keep pace with inflation, as determined by the Consumer Price Index for All Cities – US Average, ("Index") as published from time to time by the Department of Labor, which we may do so in our sole and absolute discretion. If we choose to increase the Royalty Fee, we will provide written notice of the change no later than 60 days before it is instituted. The Royalty Fee will be payable on the 1st of each month through ACH or other payments made or authorized by you, or from sums we or our affiliates may handle on your behalf through the Billing Agreement. You agree that we may deduct from the sums we or our affiliates handle on your behalf through the Billing Agreement any sums currently owing under this or any other provision of this Agreement before remitting the balance to you. If the 1st of the month falls on a weekend or holiday, then the fee is payable on the next business day. We reserve the right to change the day on which the Royalty Fee is due and the manner in which you are required to pay the monthly Royalty Fee, effective on notice to you.

You and we acknowledge and agree that the Royalty Fee is in consideration of the license granted to you under this Agreement to use the Marks and the System, and for any services provided to enable you to provide the Management Services (as applicable) to the P.C. You further acknowledge that the Royalty Fee does not represent payment for the referral of patients to you, and you acknowledge and agree that the services we offer to you or that you may provide to or receive from other 100% franchisees do not include the referral of patients.

6.3 Billing Fee.

You agree to pay monthly to our designee, currently our affiliate, 100% Epic, a continuing billing fee of 10% of the insurance billing revenues generated by the P.C. or legally owned chiropractic office, described in the attached **Exhibit 4** (**"Billing Fees"**). You agree that 100% Epic will collect the billing fee daily or as billing collections are received and posted into our designated software or any other offsets allowed under this Agreement. Collection services shall include collections under all insurances (including personal injury cases with or without attorney representation), Medicare, Medicaid and worker's compensation. All insurance collections by the P.C. or legally owned chiropractic office are required to be reported to 100% Epic on the day they are received by the office. All EOB's (Explanation of Benefits) shall be scanned and emailed to 100% Epic the same day the billing revenues are received by the chiropractic office.

6.5 Regional and National Marketing/Branding Fee.

We may, in our sole discretion, establish, maintain and administer one or more regional and/or national marketing funds (the "**Marketing Fund(s)**") for such marketing, advertising, promotion and public relations purposes, as we may deem necessary or appropriate in our sole discretion. We may choose to use only one Marketing Fund to meet the needs of regional, multi-regional, and national advertising and promotional programs. Without limiting our broad discretion relating to use of the Marketing Funds, you acknowledge that we may use any or all such Marketing Fund contributions for web page management, monthly marketing campaigns, newsletters, slide shows, office banners and corporate contest prizes, public relations with a national public relations company, Franchisor TV/radio/print ads and contributions to non-profit organizations (including those qualified under section 501(c) (3) of the internal revenue code, all subject to our sole and absolute discretion. We may choose (and currently do) use only one Marketing Fund to meet the needs of regional, multi-regional, and national marketing and promotional programs. You agree to contribute the amount we designate each month during the term to the Marketing Fund. Currently, you must contribute $800 per month to the Marketing Fund(s) we designate. In the event we choose to change the required contribution amount, which we may do so at our sole and absolute discretion, we will provide you with 30 days' advance written notice of the change. The Marketing Fee will not exceed $1,050 per month during the Initial Term. These marketing fees (**"Marketing Fees"**) will start 1 month prior to the earlier to occur of (a) the Opening Deadline, or (b) the opening date of your Franchised business, and thereafter will occur monthly at the same time as your Royalty Fees payable under Paragraph 6.2 above, unless we designate otherwise. A further description of the Marketing Fund(s) and your obligations with respect to marketing and promoting the Franchise is found in Section 11.

6.6 Local Advertising.

(a) **By Franchisee**. Except as indicated below we do not require that you spend any minimum amount to advertise your franchise locally, we strongly encourage you to promote your franchise through any effective and legally permissible means available, including your obligations described in Section 11. Any proposed local advertising or marketing materials must be submitted to and approved by us before you enter into any advertising agreements or prepare or disseminate any such marketing materials.

You must expend the amount we designate each month for social media marketing in accordance with our designated standards and specifications. We reserve the right to require you to engage our designated vendors, which may include us and/or an affiliate, to provide social media marketing services, effective on notice to you. As of the Effective Date, we require you to pay $1,700 - $2,599 per month (or the current fee charged by the social media company) for the social media marketing services to the social media marketing vendor of your choice, if we have not yet required you to retain a vendor we select. You acknowledge and agree that the designated vendor may increase this fee at any time and you will be required to pay such increased fee. We may, in our sole discretion and at any time in the future require you to license, purchase or otherwise acquire additional or different social media and other marketing programs, including from the vendors we designate. This amount does not include "ad buy" purchases you may make, and therefore do not reduce the social media expense you are required to pay. We recommend that

you purchase $1,500 to $4,000 of ad buy advertising depending on the market where the office is located.

(b) **Regional Advertising Cooperative**. In the event that more than one Franchised Business is located in an area of dominant influence (**"ADI"**), we reserve the right to form a regional advertising cooperative (the **"Regional Ad Co-op"**), and require you to join the Regional Ad Co-op and contribute to its funding, which amounts will be allocated by us to each Regional Ad Co-op in our sole and absolute discretion from the Marketing Fees described in Section 6.5 (if a local marketing requirement is in place then the co-op contributions will be deducted from such local marketing requirement). An ADI is a geographic market designation that defines a broadcast media market, consisting of all counties in which the home market stations receive a preponderance of viewing.

6.7 Required Technology Vendors and Technology Fee.

You must pay a monthly Technology Fee of $1,250 which will include, but not be limited to, the following types of services or products, required vendors and areas and may be expanded or reduced as determined by the Franchisor: Training Software, IT Support, Business Music License, Payroll, up to 6 company email accounts, Digital signage, EHR software subscription, Network Software License updates, Franchise Financial Sharing Software, and other required subscriptions. This Fee and these services are in addition to those described elsewhere in this Franchise Agreement. The Fee may be increased at our discretion but no more than the higher of $50 per month or the increase in the Cost-of-Living Index for All Cities US with a total maximum of $2,000 over the Term. This fee is collected by us on the first day of each month, or the next business day if the first falls on a weekend or holiday. The first payment shall be the first day of the month prior to the Projected Opening Date. If the opening date changes after the first draft, there is no refund.

We also require you to obtain Quickbooks Online ("QBO") software, which must be purchased through the franchisor QBO Representative at the then-current price designated by QBO. QBO is not included in the Technology fee. You will also be required to pay the monthly cost of maintaining high-speed Internet access at your site. There are certain related expenses (often referred to as "pass throughs") you will incur in connection with the use of your software, which may include (among other expenses) the following: insurance eligibility, claims status, submissions and text messaging all charged at the current vendor fees which may change.

6.8 Relocation Fee.

You are not permitted to relocate the Premises of your Location without first securing our prior written consent, which we may grant or withhold in our reasonable discretion. If you wish to relocate the Premises of your Location, you must send us a written request to relocate along with payment of a Franchise Relocation Fee (the **"Relocation Fee"**) in the amount we designate, which amount is currently $2,500. The Relocation Fee will help in defraying the costs we incur in connection with reviewing and approving a new location, reviewing and approving plans for the new location, legal fees, and updating Company records and marketing materials to reflect the new location.

6.9 Late Payments.

All Royalty Fees, Marketing Fees, Billing Fees, amounts due from you for purchases from us or our affiliates, and other amounts which you owe us and/or our affiliates (unless otherwise provided for in a separate agreement between us or our affiliates) will begin to accrue interest after their respective due dates at the lesser of (i) the highest commercial contract interest rate permitted by state law, or (ii) the rate of 18% per annum. In addition to any accruing interest, all late payments will incur a late charge of $50.00 per day until the payment is made. Payments due us or our affiliates will not be deemed received until such time as funds from the deposit of any check by us or our affiliates is collected from your account. You acknowledge that the inclusion of this paragraph in this Agreement does not mean we agree to accept or condone late payments, nor does it indicate that we have any intention to extend credit to, or otherwise finance your operation of the Franchise, excluding any agreement we may have with you relating to the financing of your initial franchise fee or costs associated with building out or starting your Franchise. We have the right to require that any payments due us or our affiliates be made by certified or cashier's check in the event that any payment by check is not honored by the bank upon which the check is drawn. We also reserve the right to charge you a fee of $100.00 for any payment by check that is not honored by the bank upon which it is drawn.

6.10 Electronic Funds Transfer.

We have the right to require you to participate in an electronic funds transfer program under which Royalty Fees, Marketing Fees, Billing Fees, and any other amounts payable to us (**"Fees"**) or our affiliates are deducted or paid electronically from your bank account (the **"Account"**). In the event you are required to authorize us to initiate debit entries, you agree to make the funds available in the Account for withdrawal by electronic transfer no later than the payment due date. Our use of electronic funds transfers as a method of collecting Fees due us does not constitute a waiver of any of your obligations to provide us with weekly reports as provided in Section 12, nor shall it be deemed a waiver of any of the rights and remedies available to us under this Agreement.

6.11 Application of Payments.

When we or our affiliates receive a payment from you or handle monies on your behalf pursuant to the Billing Agreement, we have the right in our sole discretion to apply it as we see fit to any past due indebtedness of yours due to us or our affiliates, whether for Fees, purchases, interest, or for any other reason, regardless of how you may designate a particular payment should be applied.

6.12 Modification of Payments.

If, by operation of law or otherwise, any fees contemplated by this Agreement cannot be based upon gross revenues, then you and we agree to negotiate in good faith an alternative fee arrangement. If you and we are unable to reach an agreement on an alternative fee arrangement, then either party may submit the matter to dispute resolution as described in this Agreement.

6.13 Non-Compliance Charge.

In addition to our other rights and remedies, we may charge you a non-compliance charge in an amount up to $500 per violation by you of any term or condition of this Agreement, including, without limitation, failure to pay (or to have adequate amounts available for electronic transfer of) amounts owed to Franchisor or Franchisor's affiliates or failure to timely provide required reports, or failure to obtain prior approval from Franchisor whenever Franchisor approval is required (e.g., advertising).

7. MARKS.

7.1 Marks.

Your right to use the Marks is limited to the operation of the Franchised Business at the Premises in accordance with the terms and conditions set forth in this Agreement, and is derived solely from, and is limited to, this Agreement. You agree that our right to regulate the use of the Marks includes, without limitation, any use of the Marks in any form, including in any form of electronic media, such as Websites (as defined herein) or web pages, or as a domain name or electronic media identifier. If you make any unauthorized use of the Marks, it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks. You acknowledge and agree that all your usage of the Marks and any goodwill established by your use will inure exclusively to our benefit and the benefit of our affiliates, and that this Agreement does not confer any goodwill or other interests in the Marks on you. All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, or logos we may authorize and/or license you to use during the term of this Agreement.

7.2 Use of Marks.

As a franchisee you agree to use the Marks as the sole trade identification of the Franchised Business, except that you will display at the Franchised Business location a notice, in the form we prescribe, stating that you are the independent owner of the Franchised Business pursuant to a Franchise Agreement with us. You agree not to use any Mark as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos and additional trade and service marks licensed to you under this Agreement), or in any modified form, except as we may prescribe or agree in writing. You may not use any Mark or any commercial symbol similar to the Marks in connection with the performance or sale of any unauthorized services or products, or in any other manner we have not expressly authorized in writing. You agree to display the Marks in the manner we prescribe at the Franchised Location and in connection with advertising and marketing materials, and to use, along with the Marks, any notices of trade and service mark registrations we specify. You further agree to obtain any fictitious or assumed name registrations as may be required under applicable law.

7.3 Infringements.

Once you become aware of any apparent infringement of or challenge to your use of any Mark, or claim by any person of any rights in any Mark you must immediately notify us in writing (including similar trade name, trademark, or service mark of which you become aware). You agree not to communicate with anyone except us and our counsel in connection with any such

infringement, challenge, or claim. We have the right to exclusively control any litigation or other proceeding arising out of any actual or alleged infringement, challenge, or claim relating to any Mark. You agree to sign any documents, render any assistance, and do any acts that our attorneys say is necessary or advisable in order to protect and maintain our interests in any litigation or proceeding.

7.4 Discontinuance of the Marks.

We may in our sole judgement modify or discontinue the use of any Mark, or use one or more additional or substitute trade or service marks, including the Marks used as the name of the Franchised Business, whether used as a trade name or entity name or in any other manner, then you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trade or service marks, within a reasonable time after our notice to you.

7.5 Indemnification By Us.

As the Franchisor we agree to indemnify you against, and reimburse you for, all damages for which you are held liable in any trademark infringement proceeding arising out of your use of any Mark and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified us of the claim, have not misused the Mark and have otherwise complied with this Agreement.

8. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.

8.1 Independent Contractor.

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, or between your Principal Owners and us, and you and we are independent contractors. Nothing in this Agreement is intended to make either you or us as a general or special agent, joint venture, partner or employee of the other for any purpose. You agree to conspicuously identify yourself in all your dealings with customers, suppliers, public officials, personnel, and others as the independent owner of the Franchised Business under a franchise we have granted to you. You agree to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require. which we may review and add to or change. Without limiting the foregoing, you agree to place a conspicuous notice on all employee application forms and employment agreements that you are an independent contractor operating a franchised location under license from us and that, if employed, the applicant understands and agrees that the applicant is not an employee of ours or any of our affiliates. We have no authority to exercise control over the hiring or termination of your employees, independent contractors, agents or others who work for you, their compensation, working hours or conditions, or their day-to-day activities.

8.2 No Liability, No Warranties.

The Franchise Agreement does give you the power to use the Marks except as provided by this Agreement, and you agree not to employ any of the Marks in signing any contract, check, purchase agreement, application for any license or permit, or in a manner that may result in liability

to us for any indebtedness or obligation of yours. It is further understood and agreed that you have no authority to create or to assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as an agent or representative on our behalf for any purpose whatsoever. We have no liability or responsibility for any agreements, representations, warranties, or damages to any person, entity or property directly or indirectly arising out of or related to the Franchised Business's operation.

8.3 Indemnification.

YOU AGREE TO PRESENT THIS PARAGRAPH 8.3 TO ANY INSURERS, AGENTS, BROKERS, OR OTHER PERSON(S) FROM WHOM YOU WILL PROCURE INSURANCE, AND TO HAVE THOSE PERSON(S) VERIFY THAT THIS PARAGRAPH 8.3 WILL NOT PREVENT US FROM RECEIVING EFFECTIVE COVERAGE AS AN ADDITIONAL INSURED. IF THIS PARAGRAPH 8.3 WOULD PREVENT US FROM RECEIVING EFFECTIVE COVERAGE AS AN ADDITIONAL INSURED UNDER YOUR INSURANCE POLICIES, YOU AGREE TO REQUEST ANY NECESSARY CHANGES TO YOUR INSURANCE POLICIES TO ENSURE THERE IS EFFECTIVE COVERAGE TO US AS AN ADDITIONAL INSURED, BUT WE MUST FIRST AGREE TO SUCH CHANGES. SEE ALSO PARAGRAPH 10.8.

You are solely responsible for any agreements, representations, or warranties you make in connection with the development, opening and/or operation of the Franchised Business. We are not responsible for, and do not assume, any obligations for any damages to you or any person or property directly or indirectly arising out of the development, opening and/or operation of the Franchised Business.

We have no liability for any tax you incur be it liability for sales, use, excise, income, gross receipts, property, or other taxes assessed against you or your property, or on us, in relation to the business you conduct, or any payments you make to us (except for our own income taxes).

You agree to save, defend, exonerate, indemnify, and hold us, our affiliates and our and their respective owners, directors, officers, employees, agents, successors, and assigns (individually, an **"Indemnified Party,"** and collectively, the **"Indemnified Parties"**), harmless against, and to reimburse any and all such Indemnified Parties for, all claims, obligations, damages, and taxes directly or indirectly arising out of the development, opening and/or operation of the Franchised Business, the business conducted under this Agreement, and/or your breach of this Agreement, except to the extent they arise as a result of our own gross negligence or willful misconduct. For purposes of this indemnification, the term "claims" includes all obligations, damages (actual, consequential or otherwise) and costs incurred in the defense of any claim against any of the Indemnified Parties, including reasonable accountants', arbitrators', attorneys' and expert witness fees, costs of investigations and proof of facts, court costs, other expenses of litigation, arbitration and/or alternative dispute resolution and travel and living expenses. An Indemnified Party has the right to defend any such claim against the Indemnified Party. Your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or third party, or

otherwise to mitigate their or our losses and/or expenses in order to maintain and recover fully a claim against you.

9. CONFIDENTIAL INFORMATION AND NON-COMPETITION.

9.1 Confidential Information.

We possess and may continue to develop and/or acquire, certain information relating to the development and/or operation of Franchised Businesses and Clinics, the Management Services and Clinic Services, some of which constitutes trade secrets under applicable law, all of which are deemed our "Confidential Information." Without limiting the foregoing, you acknowledge and agree that our Confidential Information includes the following categories of information which include different types of methods, products, techniques and knowledge which we and/or our affiliates have developed or acquired, including: (a) all of those products and services sold under the System and/or in connection with the operation of any Franchised Business; (b) all of the knowledge of sales and profit performance of any Franchised Business; (c) the sources of products and services that are used, offered and/or sold in connection with the development, opening and/or operation of Franchised Businesses, as well as advertising and promotional programs, and image and decor; (d) software, including the 100% Software; (e) techniques, procedures, specifications, systems, and knowledge of, and experience in, the development, operation, and franchising of Franchised Businesses; and (f) methods of training employees. We may disclose, and you may become privy to, certain of our Confidential Information, including at times before and after you open your Franchised Business, including through the Platform and 100% Software. You acknowledge and agree that you acquire no interest in the Confidential Information by virtue of this Agreement or otherwise. You acknowledge and agree that the Confidential Information is proprietary and may be disclosed to you only on the condition that you (i) will not use the Confidential Information other than as expressly authorized by us under this Agreement, (ii) will not use the Confidential Information in any other business or for any other purpose, (iii) will keep all of the Confidential Information absolutely confidential during and after the term of this Agreement (for so long as the information is not generally known in the chiropractic care industry); (iv) will not make unauthorized copies of any Confidential Information; (v) will adopt, implement and strictly enforce reasonable procedures to protect against and to prevent unauthorized disclosure and/or use of Confidential Information, including, without limitation, restricting disclosure and access to only those persons employed by you who need to know such information in order for you to comply with your obligations under this Agreement. We may regulate the form of agreements you use and we must always be named as a third-party beneficiary of any and all forms of confidentiality and non-competition agreements that you use, with the independent right to enforce your rights under the agreement(s). You must provide us with copies of all confidentiality agreements you enter into pursuant to this paragraph.

You agree to promptly disclose to us all ideas, concepts, techniques, methods and/or improvements relating to the development, opening, marketing and / or operation of the Franchised Business, including those developed by you and/or your employees. You agree that all such ideas, concepts, techniques, methods and improvements will be deemed our exclusive property, part of the System and works made for hire for us. If any item fails to qualify as a "work made for-hire" you hereby assign all right, title, interest and ownership of such item to us and you agree to take any and all action we determine necessary to evidence our ownership and to assist us in obtaining

all intellectual property rights therein (including the execution of any and all assignment documents).

9.2 Non-Competition.

As part of this Agreement, you agree that we would be unable to protect the Confidential Information against unauthorized disclosure, and unable to encourage a free exchange of information among all of our franchises, if franchise owners were permitted to hold interests in any other business that provides the same or similar services as provided by System franchisees. Therefore, neither you, nor any Principal Owner, nor any member of your immediate family or of the immediate family of any Principal Owner, will perform services for, or have any interest (whether a direct or indirect interest) as a disclosed or beneficial owner, investor, partner, director, officer, employee, manager, consultant, or agent in, any "Competitive Business". For purposes of this Agreement, the term "Competitive Business" means any business that: (a) offers, markets, sells and/or provides products or services that are the same as or similar to those offered or sold at 100% Location franchises, including, without limitation Management Services and/or Clinic Services ("Competitive Services"), or (B) offers, sells or grants any franchise or license opportunities for the right to develop, open and/or operate any business that offers, markets, sells or provides Competitive Services. The ownership of 1% or less of a publicly traded company will not be deemed to be prohibited by this Paragraph.

To the fullest extent permissible under applicable law, for a 2 year period after the expiration or earlier termination of this Agreement (regardless of cause), neither you, nor any Principal Owner, nor any member of your immediate family or of the immediate family of any Principal Owner, will perform services for, or have any interest (whether a direct or indirect interest) as a disclosed or beneficial owner, investor, partner, director, officer, employee, manager, consultant, or agent in, any business offering Competitive Business that is located (i) at the Premises, (ii) within a 25 mile radius of the Premises, (iii) at the premises of any other Location, (iv) within 25 miles of the premises of any other Location, or (v) anywhere in the United States if the Competitive Business is engaged in the offer, sale and/or grant of franchises or license opportunities for the right to develop, open and/or operate any business that offers, markets, sells or provides Competitive Services.

Notwithstanding any other provision of this Agreement you will not be subject to our non-compete terms for providing Chiropractic services if you: (i) complete the full Initial Term (which unless otherwise indicated is 10 years), (ii) at the end of the Initial Term you are in compliance with all of the terms of the Franchise Agreement including all of the obligations to pay sums due us, our affiliates, or third parties, as well as the initial Franchise Fee, any start-up or construction costs you have financed through us, an affiliate or a third party, (iii) remain practicing at the location that has previously been approved by Franchisor and where you are practicing at the end of the Term, and (iv) you comply with all post-termination provisions as described in Section 16 or elsewhere in this Agreement. The parties acknowledge that it would not be fair to the other franchisees to allow you to open and operate a chiropractic practice in a different location since it may pose competition not otherwise anticipated. The parties agree that this exception to the non-competition provisions is the only exception in this Agreement.

10. OPERATING STANDARDS**.**

10.1 Condition and Appearance.

You agree that:

(a) You must limit the use and purpose of the Premises exclusively to the operation of the Franchised Business;

(b) You must maintain the condition and the appearance of the Franchised Business and the Premises, as well as its equipment, furniture, furnishings, and signs in accordance with our designated standards and specifications, and consistent with the image of a 100% Location franchise as an efficiently operated business offering high quality services, and observing the highest standards of cleanliness, sanitation, courteous service and pleasant ambiance. You agree to take, without limitation, the following actions during the term of this Agreement: (a) cleaning, repainting and redecorating of the interior and exterior of the Premises at reasonable intervals; (b) repair the interior and exterior of the Premises; and (c) repair or replacement of damaged, worn out or obsolete equipment, furniture, furnishings and signs;

(c) If we determine, at any time during the Term, that the Premises or Franchised Business fails to meet our standards and specifications, you must take all action necessary to correct the deficiencies we identify immediately after your receipt of written notice from us.

(d) You may not materially alter the appearance of the Premises or the Franchised Business without first securing our prior written consent;

(e) You will promptly replace or add new equipment when we reasonably specify, including in order to meet changing standards or new methods of service;

(f) In order to properly maintain the Premises you will spend at least $6,000.00 every 4 years in remodeling, expansion, redecorating and/or refurnishing of the Premises and the Franchise, if deemed necessary by us (any changes to the decoration or furnishing of the Premises must be approved by us);

(g) After we notify you of the need for remodeling you will engage in such activity including expansion, redecorating and/or refurnishing of the Premises. In order to stay current, we require new franchisees maintain the Premises provided no material changes will be required unless there are at least 2 years remaining on the Initial Term of the Franchise (any changes to the decoration or furnishing of the Premises must be approved by us);

(h) At the Premises you will place or display (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we approve; and

(i) If you or your Premises do not meet our standards outlined in this Agreement then we shall have the right, in addition to all other remedies available to us at law or this Agreement, to enter the Premises and perform any required maintenance or refurbishing on

your behalf, and you agree to reimburse us on demand. The type of thing we are concerned with includes the state of repair, appearance, or cleanliness fixtures, equipment, furniture, or signs do not meet our standards in which case we shall have the right to notify you specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within 10 days after receipt of our notice, and then continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing.

10.2 Services and Products; Distributors and Suppliers. To the fullest extent permissible under applicable law:

(a) You are obligated to (i) offer for sale all services and products that we specify for Locations to the fullest extent permissible under applicable law, (ii) offer and sell approved services and products only in the manner we have prescribed. You will not offer for sale or sell at the Franchised Business, the Premises, or any other location any services or products we have not approved. You must offer all products at retail prices, and you will not offer or sell any products at wholesale prices. You will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing. If the Franchised Business is for the provision of Management Services, you are responsible for ensuring that the P.C. operates in accordance with the Management Agreement.

(b) We have the right to require you to purchase only products and services that meet our specifications in the quantities we designate, and to require you to purchase such products and/or services only from suppliers we designate or approve. We have the right in our sole discretion to approve a single distributor or other supplier (collectively "supplier") for any product or service. You acknowledge that we and/or our affiliates may be designated as an approved supplier, including an exclusive supplier, of any product or service (to the fullest extent permissible under applicable law). You agree to comply with all designated supplier requirements to the fullest extent permissible under applicable law. We may concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support or services for any group of 100% Locations franchised or operated by us. You understand and acknowledge we will not be liable to you or anyone else for any damages or claims arising out of or resulting from the acts or omissions of any supplier and distributor of products or services, whether or not such supplier or distributor is an approved or required supplier or distributor of products or services.

(c) If you should use, sell or distribute unauthorized products or services, and do not cease the use, sale, or distribution of unauthorized services or products within 10 days after written notice is given to you, in addition to any and all rights available to us under this Agreement and applicable law, we reserve the right to terminate this agreement and/or charge you a fee of $100.00 for each day that you fail to comply with our demand which is a reasonable estimate of the damages we would incur and not a penalty.

(d) We may, from time to time, conduct market research and testing to determine consumer trends and the saleability of new services and products. You will cooperate by participating in these programs and providing us with timely reports and other relevant information regarding such market research.

(e) You acknowledge that we may, but are not required, to develop unique and/or proprietary products and/or services to be offered for sale and/or used in connection with the operation of the Franchised Business. You agree to comply with our requirements relating to the purchase, marketing, sale and/or use of such products and /or services.

(f) You agree that you must use the formats, formulae, and packaging for products or services as we prescribe.

(g) If you wish to purchase any items or service from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier. We are not obligated to approve any such request. We have the right to inspect the proposed supplier's facilities and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory that we may designate, for testing. We may charge you a supplier evaluation fee of $250 per request to make the evaluation. We will respond either to approve or disapproved within 15 days of receipt of your request. We reserve the right to periodically re-inspect the facilities and products of any approved supplier. We reserve the right to revoke our approval of any previously approved supplier at any time on notice to you.

10.3 Hours of Operation.

You agree to keep the Franchise open for business at such times and during such hours as we may prescribe from time to time consistent with requirement of your lease.

10.4 Procedures and Specifications

You must comply with the Platform at all times during the term. The franchisee acknowledges that the Platform may change over time and that you are expected to comply with all changes.

10.5 Legal Compliance.

(a) It is entirely your responsibility to develop, open and operate the Franchised Business in accordance with all applicable laws, rules and regulations, including all government regulations relating to HIPAA, occupational hazards, health, worker's compensation insurance, unemployment insurance, sales taxes and withholding and payment of federal and state income taxes, and social security taxes. Without limiting the foregoing, you must maintain and be current with all required licenses, permits and certificates needed in connection with the development, opening and operation of the Franchised Business. You agree that in all dealings you will adhere to the highest standards of ethical conduct. You further agree to refrain from any business or advertising practice that may be harmful to you or our business or any Franchised Business, and/or the goodwill associated with the Marks.

(b) You must comply with all "Payment Card Industry ("PCI") Data Security Standards, Payment Data Security Standards" and any future regulations relating to data security and protection standards, including any and all data security and protection measures we require. You must provide us with proof of your compliance in the form and manner we designate. If you learn of any event of non-compliance with Data Security Standards or otherwise undergo any

adverse change in your compliance status, you must immediately provide us with written notification identifying the issue and the steps you intend to take to remediate the issue.

You must provide us with written notice of: (a) any legal action or legal proceeding is commenced against you, and (b) the issuance of any order, writ, injunction or decree of any governmental agency or any matter affecting the health and/or safety of the Franchised Business, no later than 5 days after you become aware of any such action, proceeding or issuance.

10.6 Your Obligation to Manage and Supervise Your Employees

As a Franchisee you are not required to participate in the actual, on-site, day-to-day operation of the Business. It is solely your obligation, and not our obligation or responsibility, to make sure your employees and independent contractors have all the current licenses as and certifications the law and our Platform may require. You will be obligated to supervise your employees and independent contractors and oversee the relationship including compensation, wage and hours laws, OSHA requirements and all the other employment issues. You are responsible for ensuring that your employees are properly trained. All of your employees and independent contractors must maintain the proper appearance and dress that would not offend clients and conform to the standards in the Platform.

Each of your employees and independent contractors are required to execute an agreement based on our form, to maintain the confidentiality of our Confidential Information, proprietary information, and trade secrets as described in Paragraph 9.1, and comply with the provisions of the non-compete provision described in Paragraph 9.2. All of your employees must render prompt, efficient and courteous service to all clients. You acknowledge, understand and agree that we do not have any direct or indirect control over your employees. You are solely and entirely responsible for such activities.

10.7 Insurance.

YOU AGREE TO PRESENT THIS PARAGRAPH TO ANY INSURERS, AGENTS, BROKERS, OR OTHERS THAT YOU PROCURE INSURANCE, AND TO HAVE THOSE PERSON(S) CONFIRM THAT THAT THIS PARAGRAPH 10.7 WILL NOT PREVENT US FROM RECEIVING COVERAGE AS AN ADDITIONAL INSURED. IF THIS PARAGRAPH 10.7 WOULD PREVENT US FROM RECEIVING SUCH COVERAGE AS AN ADDITIONAL INSURED YOU AGREE TO ALTER YOUR INSURANCE POLICIES TO ENSURE THAT THERE IS COVERAGE TO US AS AN ADDITIONAL INSURED, WHICH PROVISIONS WE MUST APPROVE. SEE ALSO PARAGRAPH 8.3.

At all times during the term of this Agreement, you must maintain in full force and effect the insurance coverage we designate. You understand and acknowledge that in today's litigious society, adequate insurance coverage by any business is imperative. You acknowledge that we have the right to periodically change and/or increase the amounts of coverage you are required to obtain and maintain, and you agree to comply with all such changes and increases.

Without limiting the foregoing, at a minimum, you must maintain in force and effect, the following policies written on an occurrence basis issued by carriers with an A.M. Best rating of A-VIII or better approved by us, which we may change in the future: (1) comprehensive public,

professional, product, and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchise containing minimum liability coverage amounts as set forth in the Platform; (2) general casualty insurance, including theft, cash theft, fire and extended coverage, vandalism and malicious mischief insurance, for the replacement value of the Franchise and its contents, and any other assets of the Franchise; (3) worker's compensation and employer's liability insurance as required by law, with limits at least as those required by statute; (4) business interruption insurance for the higher of (i) the time to adequately reestablish normal business operations or (ii) six (6) months; (5) other insurance required by any special risk that is other covered within this section or by law, regulation or licensing requirements; (6) umbrella liability coverage with limits of not less than $1,000,000/$3,000,000 or such other amounts as set forth in the Platform; (7) unless you are a non-chiropractor franchisee, professional malpractice insurance with coverage limited of $1,000,000 per occurrence and $3,000,000 in the aggregate or such other amounts that we establish in the Platform, (8) EPL ((Employment practice liability coverage): Covers employment related sexual harassment, wrongful termination and discrimination claims. Coverage is on a claims-made basis and defense expenses will reduce the available limits of insurance (in most states, unless there is a state exception). The Spectrum liability coverage form will automatically provide a $10,000 each claim / $10,000 annual aggregate built in limit of insurance for most class codes (with the exception of certain class codes and states – see the Product Manual for details). EPLI Increased Limits optional coverage allows the insured to replace these built in limits with higher limits. Wage and Hour Claims Expenses – Employment Practices Liability (SS 09 67) covers claim expenses relating to certain wage and hour violations up to the specified sublimit and is automatically included for most classes. Third Party Liability Endorsement – Employment Practices Liability (SS 09 70) covers certain third-party claims in relation to discrimination or harassment and is automatically included for most classes; (9) Cyber coverage; and (10) all insurances required by lease of your Location premises. You must purchase such insurance coverage(s) only from our approved brokers or carriers. We are allowed to require you to cause changes in your policies or different types of coverage, deductibles, total dollar protection and excess liability insurance, any of which is based on changes in our country, economy, industry or due to our reasonable discretion.

You agree that the P.C. shall require all massage therapists who it employs to be properly licensed and carry separate malpractice insurance with limits at least as high as the P.C.'s, or as set forth in the Platform.

Each policy must designate us and our designees as additional insureds, and must provide us with 30 days' advance written notice of any material modification, cancellation, or expiration of any policy. Deductibles must be reasonable amounts which we must approve. You must provide us with copies of each of the policies evidencing the existence of such insurance at the same time as execution of this Agreement and prior to each renewal along with certificates showing such insurance. You are responsible for all claims and damages, including to third persons, originating from, in connection with, or caused by your failure to name us as an additional insured on each insurance policy. You agree to defend, indemnify and hold us harmless of, from, and with respect to any such claims, loss or damage arising out of your failure to name us as an additional insured, which indemnity shall survive the termination or expiration and non-renewal of this Agreement.

If you fail to maintain any of the required insurance coverages do not furnish satisfactory evidence to us, then we, may and in addition to our other rights and remedies hereunder, may obtain such insurance coverage on your behalf, and you shall reimburse us on demand for any costs or premiums we incur including any administrative fees or surcharges. If you fail to pay us within 15 days of our demand for reimbursement, we reserve the right to debit your account the amounts owed for any premiums paid on your behalf for such insurance coverage along with any other expense we incur to obtain such coverage for you or your franchise. The P.C. must (or you must cause it) to provide us with an application for insurance (in a form we find acceptable and to our required supplier) for any medical professional that has been offered a position to work in a P.C. so that we may, if do not acquire the necessary insurance coverage for person. You must provide us with proof that you have all required insurances no later than January 15th of each year. Your failure to do so will result in your incurring a $100 per day penalty until proof is provided.

In spite of you having acquired the required policies are responsible for all loss or damage and contractual liability to third persons in connection with the operation of the Franchise, and for all claims or damages to property or for injury, illness or death of persons resulting therefrom; and you agree to defend, indemnify and hold us harmless of, from, and with respect to any such claims, loss or damage, which indemnity shall survive the termination or expiration and non-renewal of this Agreement. In addition, you must maintain all insurance coverage required under your lease.

Our insurance does not reduce your obligation to maintain coverage as described in this Agreement.

10.8 Payment Methods.

Unless we designate otherwise, you must have agreements in place to accept all major credit cards and debit cards, including Visa, Master Card, American Express, Discover. You must also have arrangements in place with ETF and any other similar provider that we designate. We may require you to obtain one or more of such services through us, our affiliates and/or our designees.

10.9 Pricing.

To the fullest extent permissible under applicable law, (a) we may periodically establish maximum and/or minimum prices, advertising for services and products that the Clinic or Franchised Business offers (whichever is appropriate), 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 unless otherwise permitted by law. This provision shall be automatically modified to conform to all applicable state and federal laws, rules and regulations. Without limiting the foregoing, in states where you must enter into a Management Agreement this provision is hereby modified to conform to your state's laws, federal laws and local regulations.

11. ADVERTISING.

11.1 By Us.

As set forth in Section 6.5, we may establish one or more Funds to support and pay for national, regional, and/or local marketing programs that we deem necessary to promote the goodwill and image of the System and 100% businesses. You will pay to the Marketing Fund the Marketing Fee set forth in Section 6.4. We agree that any System businesses owned by us or our affiliates will contribute same as you.

We have the right to direct all advertising programs which are financed by the Fund, and we will have the sole discretion over the creative concepts, materials, and endorsements used in them, and the market, and media placement and how much to spend on each type of market or advertiser. We can direct the Fund to pay the costs of all aspects of the activity and purpose of the Fund including: preparing and producing video, audio, and written materials; administering regional, regional and/or national advertising programs; purchasing direct mail and other media advertising; employing advertising and public relations agencies, market research; and paying for all of these services and products. Further we may determine it is beneficial for the System to participate in any national or regional trade shows and providing advertising and marketing materials to 100% Location franchises. We may in our discretion use the Marketing Fund to engage in advertising and promotional programs that benefit only one or several regionals, and not necessarily all of the locations of Franchises.

The Fund will provide you with advertising materials at the Fund's direct cost of producing these materials. The Fund will be accounted for separately from other funds of the Company and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs, and overhead we may incur in activities reasonably related to the administration of the Marketing Fund and its advertising programs We may spend in any fiscal year an amount greater or less than the total contributions to the Fund in that year. We may cause the Fund to borrow from us or other lenders to cover any deficits, or to invest any surplus for future use. You authorize us to collect and pay over to the Fund any rebates or similar compensation paid to you from any advertising monies or credits offered by any supplier to you based upon purchases you make. If you submit a written request for a copy of the statement on or before March 1st of the calendar year immediately following the year for which you are requesting the statement, we will provide a copy of the statement to you once we complete and issue it. The statement and Fund will not be audited. We have no fiduciary duty to you, or to any System franchisee, or to your owners, with regard to the creation, administration, development and/or operation of the Fund.

You acknowledge and agree that the Fund is to maximize recognition of the Marks and patronage of 100% Location franchises. Although we will endeavor to use the Fund to develop advertising and marketing materials System wide on a fair basis regardless of location, we cannot ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by 100% Location franchises operating in that geographic area, or that any will benefit directly or in proportion to its contribution from the creation or use of such advertising. We assume no liability or obligation to you with respect to the maintenance, direction, or administration of the Fund. We may authorize any Fund to be incorporated or run

through an entity separate from us as we consider appropriate, and the entity will have the same authorization and responsibilities as we do under this Section. We may include statements about the availability of information regarding the franchise opportunity and the purchase of a franchise in any advertising or other items produced, circulated and/or distributed using the Fund contributions.

We will have the right to terminate the Fund by giving you 30 days' advance written notice. All unspent monies on date of termination will be divided between the us and the contributing 100% Location franchisees in proportion to our and their respective contributions. At any time thereafter, we will have the right to reinstate the Fund under the same terms and conditions as described in this Section by giving you 30 days' advance written notice of reinstatement.

11.2 By You.

You agree to list and advertise the Franchised Business in online telephone directories, map applications (such as Google Maps), or other telephone directories distributed within your market area, in those business classifications as we prescribe.

Unless you have already received our approval of certain advertising material, before you use them, samples of all local advertising and promotional materials must be submitted to us for approval. If you do not receive our written approval within 15 days from the date we receive the materials, the materials will be deemed to have been disapproved. The approval of the marketing or advertising material is valid for one year. You agree not to use any advertising or promotional materials that we have disapproved. You will be solely responsible and liable to ensure that all advertising, marketing, and promotional materials and activities you prepare comply with all applicable federal, state, and local law and any agreements or orders which you are subject to. Any materials you prepare to promote your Location are considered our property, including any social media, webpages, or other materials prepared or provided by you and any followers, likes, upvotes, or other reputational value associated therewith. You agree to make us the sole administrator of any of your social media, webpages, or other internet-based materials and to transfer those to us if you should cease to be a franchisee.

11.3 Cooperatives.

In the event that more than one Franchised Business is located in an area of dominant influence (**"ADI"**), we reserve the right to form a regional advertising cooperative (the **"Regional Ad Co-op"**). We reserve, in our sole discretion, the right to set the amount to be contributed which will be deducted from the member's Marketing Fee requirement (provided if there should be a required local advertising payment, such coop fee will be deduction from the local advertising requirement).

11.4 Websites and Ad Media.

You agree that any Website or Other Forms of Advertising Media (as defined below) will be deemed "advertising" under this Agreement, and will be subject to, among other things, the need to obtain our prior written approval in accordance with Paragraphs 7.2 and 11.2. As used in this Agreement, the term or reference to "Website or Other Forms of Advertising Media" means any interactive system, including but not limited to all types of online communications, virtual

applications, social media, including Groupon, Living Social, Facebook, X, etc., that you operate or use, or authorize others to operate or use, and that refer to the Franchise, the Marks, us, and/or the System. The term or reference Website or Other Forms of Advertising Media includes, but is not limited to, websites or any other media located on the internet. In connection with any Website or Other Forms of Advertising Media, you agree to the following:

(a) Before establishing any Website or Other Form of Advertising Media, you will submit to us a sample of such Website or Other Form of Advertising Media format and information in the form we may require.

(b) You will not use any Website or Other Forms of Advertising Media without our prior written consent.

(c) You must comply with our standards and specifications for Website or Other Forms of Advertising Media as we prescribe in the Platform or otherwise in writing, including any specifications relating to the use of organic and paid search engine optimization, keyword and landing page management. If we require, you will establish a website as part of our corporate website and/or establish electronic links to our corporate website.

(d) If you propose any material revision to Website or Other Forms of Advertising Media or any information contained therein, you must submit such revision to us for our prior written approval.

(e) You must ensure that any proposed Website or Other Form of Advertising Media complies with local, state or federal laws or regulations regulating websites including advertising, especially with regard to health care laws and regulations.

12. FINANCIAL REPORTS; REPORTING REQUIREMENTS**.**

You are required to obtain and pay for the software systems we designate for accounting, bookkeeping and record keeping, including, unless we designate otherwise, the 100% Software and accounting software (the "Designated Software"). You acknowledge and agree that that the Designated Software may include the capability of being polled by our central computer system. You hereby consent to all such polling activities. We have the unrestricted right to access and extract data from the Designated Software. We also have the right to require you to provide from your accounting software in a form we designate, or in accordance with "GAAP", (General Acceptably Accounting Principles), as the case may be, the following: (a) by Tuesday of each week, an electronic report of the Franchised Business's gross revenues for the preceding week ending on, and including, Sunday, and any other data, information, and supporting records that we may require; ([b) by the 30th day of each month, a profit and loss statement for the preceding calendar month, and a year-to-date profit and loss statement and balance sheet; (c) within 90 days after the end of your fiscal year, a fiscal year-end balance sheet, and an annual profit and loss statement for that fiscal year, reflecting all year-end adjustments; and (d) such other reports as we require from time to time (collectively, the **"Reports"**).

You must use the Designated Software in the manner we specify, including to load all of your transactions into your accounting software in a timely manner to ensure that all Reports are accurate. If you omit anything from the Designated Software or your accounting software or if it

was inputted inaccurately, or you have failed to provide us any required Reports, we may charge a non-refundable accounting fee of $100.00, payable in a lump sum by the 5th day of the month following the month during which the inaccurate report was submitted or for any late Reports. You agree to provide us with copies of federal and state income tax returns and also the returns of your entity and your Principal Owners. We reserve the right to require you to have reviewed financial statements prepared by a certified public accountant on an annual basis. You agree to retain hard copies of all records for a minimum of 4 years. Also, upon our request, you must give us permission in advance, to contact your accountant in order to obtain, any report, financial information or statements, tax returns and any other information you are required to provide to us under this Agreement. You agree to provide written consent to your accountant authorizing the release of any and all such information. If you fail to provide a separate written consent to your accountant, you acknowledge and agree that this provision shall constitute such consent and you hereby authorize us to provide a copy of this Agreement to your accountant to substantiate your written authorization.

13. INSPECTIONS AND AUDITS**.**

13.1 Inspection.

We and/or our designees have the right, at any reasonable time and without advance notice to you, for any purpose, including to determine if you are complying with this Agreement and the specifications and operating procedures we prescribe, to: (1) inspect the Premises; (2) observe the operations of the Franchised Business for such consecutive or intermittent periods as we deem necessary; (3) interview personnel of the Franchised Business; (4) interview customers of the Franchised Business; and (5) inspect and copy any books, records and documents relating to the operation of the Franchised Business. You agree to present to your customers any evaluation forms we periodically prescribe, and agree to participate in, and/or request that your customers participate in, any surveys performed by or on our behalf.

13.2 Audit.

During business hours, and without advance notice to you, we may inspect and audit your business records, and accounting records, sales and income tax records and returns and other financial material as well as your books and records. If the inspection or audit is necessary because of your failure to furnish any reports, supporting records, or financial statements or to furnish any of it on a timely basis, or if an understatement of Gross Revenues for any period is determined to be greater than 2%, then you agree to pay us all monies owed, plus interest of 1% per month for the period such amount was not paid, and reimburse us for the cost of such inspection or audit, including without limitation any attorneys' fees and/or accountants' fees we may incur, and the travel expenses, room and board, and applicable per diem charges for those involved in performing the audit. Your franchise may be terminated if you underreport as described in Section 15 below. The above remedies are in addition to all our other remedies and rights under this Agreement or under applicable law.

14. TRANSFER REQUIREMENTS.

14.1 Organization.

If you are an Entity (or if this Agreement is assigned to an Entity with our approval), you represent and warrant to us that you are and will continue to be throughout the term of this Agreement, duly organized and validly existing in good standing under the laws of the state of your incorporation, registration or organization, that you are qualified to do business and will continue to be qualified to do business throughout the term of this Agreement in all states in which you are required to qualify, that you have the authority to carry out all of the terms of this Agreement, and that during the term of this Agreement the only business you (i.e., the Entity) will conduct will be of the Franchise.

14.2 Ownership Interests.

You and each Principal Owner represent, warrant and agree that all "Interests" in Franchise Owner are owned in the amount and manner described in **Exhibit 5.** An **"Interest"** is defined to mean any shares, membership interests, or partnership interests of Franchise Owner and any other equitable or legal right. When referring to Franchise Owner's rights or assets, an "Interest" means Franchise Owner's rights under and interest in this Agreement, interest in any 100% franchise, or interest in the revenues, profits or assets of any 100% franchise. You and each Principal Owner also agree that no Principal Owner's Interest has been given as security for any obligation (*i.e.*, no one has a lien on or security interest in a Principal Owner's Interest), and that no change will be made in the ownership of an Interest other than as expressly permitted by this Agreement. You and each Principal Owner agree to furnish us with such evidence as we may request to evidence that that the Interests of Franchise Owner and each of your Principal Owners remain as permitted by this Agreement. If you have transferred your Interests in violation of this Agreement you shall be considered in breach of this Agreement, or this Agreement may be treated as void, at our option.

In the event you are in default of this Franchise Agreement or any related agreement, you agree that you will enter into any and all other documentation necessary to allow us to exercise our rights under any security agreement and this Agreement and you or we terminate this Agreement.

14.3 Transfer by Us.

This Agreement is fully transferable by us and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to our interests in this Agreement.

14.4 Transfer by You.

You understand that the rights and duties created by this Agreement are personal to you and that we have entered into this Agreement in reliance on the individual or collective character, skill, aptitude, business, and financial ability as well as capacity of you and your Principal Owners. Accordingly, neither this Agreement nor any part of your interest in it, nor any Interest of Franchise Owner or a Principal Owner in this Agreement or in the Entity, may be transferred (see definition below) without our advance written approval. Any Transfer that is made without our approval will constitute a breach of this Agreement and will be deemed void and of no force or effect.

As used in this Agreement the term "Transfer" means any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest, or occurrence of any other event which would or might change the ownership of any Interest, and includes: (a) the Transfer of ownership of any Entity (including the granting of options (such as stock options or any option which give anyone ownership rights now or in the future); (b) merger or consolidation, or issuance of additional securities representing an ownership interest in Franchise Owner; (c) sale of common stock of Franchise Owner sold pursuant to a private placement or registered public offering; (d) Transfer of an Interest in a divorce proceeding or otherwise by operationI law; or (e) Transfer of an Interest by will, declaration of or transfer in trust, or under the laws of intestate succession.

We will not unreasonably withhold consent to a Transfer of an Interest by a Principal Owner to a member of his or her immediate family or to your key employees, so long as all Principal Owners together retain a "controlling Interest", although we reserve the right to impose reasonable conditions on the Transfer as a requirement for our consent.

All of the evidence of ownership of your Entity, such as stock certificates and other formation documents must recite or bear a legend reflecting the transfer restrictions of this Paragraph 14.4.

14.5 Transfer Conditions.

If you and your Principal Owners are in full compliance with this Agreement, we will not unreasonably withhold our approval of a Transfer that meets all the applicable requirements of this Section 14. The person or entity to whom you wish to make the Transfer, or its principal owners (**"Proposed New Owner"**), must be individuals of good moral character and otherwise meet our then-applicable standards for 100% Location franchisees. If you propose to Transfer this Agreement, the Franchise or its assets, or any Interest including if any of your Principal Owners proposes to Transfer an Interest in you or make a Transfer that is one of a series of Transfers which taken together would constitute the Transfer of a controlling Interest in you, then all of the following conditions must be met before or at the time of the Transfer:

(a) The Proposed New Owner must have sufficient business experience, aptitude, and financial resources to operate the Franchise, as determined by us in our sole discretion;

(b) You must pay all amounts outstanding to us and our affiliates, and any other amounts owed to certain third parties which are unpaid, including all sums owed under this Agreement to us, our affiliates, or third parties, including the initial franchise fee, any start-up or construction costs you have financed through us, an affiliate or a third party, and any other fees or sums owed under this Agreement or any other agreement with us or our affiliates;

(c) The Proposed New Owner's directors and such other personnel as we may designate must have successfully completed our Initial Training program and shall be legally authorized and have all licenses necessary to perform the services provided by the Franchise. The Proposed New Owner shall be responsible for any wages and compensation owed and pay for the travel and living expenses (including all transportation costs, room, board and meals) incurred by, those who attend the Initial Training program;

(d) If your lease for the Premises requires it, the lessor must have consented to the assignment of the lease of the Premises to the Proposed New Owner(s);

(e) You (or the Proposed New Owner) must pay us a Transfer fee equal to the higher of Twenty percent (20%) of our then-current Initial Franchise Fee or $10,000, and must reimburse us for any reasonable expenses incurred by us in investigating and processing any Proposed New Owner where the Transfer is not consummated for any reason;

(f) You and your Principal Owners and your and their spouses must execute a general release (in a form satisfactory to us) of all claims you and/or they may have against us, our affiliates and our and our affiliate's officers, directors, employees, and agents;

(g) We must approve the material terms and conditions of the proposed Transfer, including without limitation that the price and terms of payment are not so burdensome as to adversely affect the operation of the Franchise;

(h) The Franchise and the Premises shall have been placed in an attractive, organized and sanitary condition;

(i) You and your Principal Owners must enter into an agreement with us providing that all obligations of the Proposed New Owner to make installment payments of the purchase price (and any interest on it) to you or your Principal Owners will be subordinate to the obligations of the Proposed New Owner to pay any amounts payable under this Agreement or any new Franchise Agreement that we may require the Proposed New Owner to sign;

(j) The Premises shall have been determined by us to contain all equipment and fixtures in good working condition, the same as were required at the initial opening of the Franchise. The Proposed New Owner shall have agreed, in writing, to make such reasonable capital expenditures to remodel, equip, modernize and redecorate the interior and exterior of the premises in accordance with our then specifications for a 100% Location franchise, and shall have agreed to pay our expenses for plan preparation or review, and site inspection; and

(k) After you receive our approval of the Transfer or sale of the Franchise, the Proposed New Owner shall agree to assume all of your obligations under this Agreement in a form acceptable to us, or, at our option, shall agree to execute a new Franchise Agreement with us in the form then being used by us. We may, at our option, require that you guarantee the performance, and obligations of the Proposed New Owner for 1 year.

14.6 Death and Disability.

Upon the death or permanent disability of you or a Principal Owner, the executor, administrator, conservator or other personal representative of the deceased or disabled person must transfer such person's Interest within a reasonable time, not to exceed 90 days from the date of death or permanent disability to a person we have approved. Such transfers, including without limitation transfers by a will or inheritance, will be subject to all the terms and conditions for assignments and Transfers contained in this Agreement. Failure to dispose of an Interest within the 45 days will constitute grounds for termination of this Agreement.

14.7 Consent to Transfer.

Even though we might consent to a Transfer it does not mean that we have waived any of our claims we may have against you or any Principal Owner, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the Proposed New Owner.

14.8 No Unreasonable Delay to Consent.

If all the conditions are met to transfer this Agreement or any interest therein, we will not unreasonably delay giving our consent to the transfer.

15. TERMINATION OF THE FRANCHISE.

15.1 Termination without Opportunity to Cure. Unless a notice of some time period is required by applicable law or another provision of this Franchise Agreement, we have the right to terminate this Agreement which would be effective upon notice of termination to you, if: (a) you do not develop or open the Franchised Business as provided in this Agreement (both in its approved nature and time to do so); (b) you abandon, surrender, transfer control of, lose the right to occupy the Premises of, or do not actively operate, the Franchised Business, or your lease or ownership of the Premises is terminated for any reason; (c) you or your Principal Owners assign or Transfer this Agreement, any Interest, the Franchised Business, or assets of the Franchised Business without complying with the provisions of Section 14; (d) you are adjudged a bankrupt (after 30 days has passed), become insolvent or make a general assignment for the benefit of creditors; (e) you use, sell or distribute with or without compensation any unauthorized services or products, and do not cease this activity within ten (10) days after written notice is given to you; (f) you fail to maintain a current valid license to provide Chiropractic services and/or fail to maintain compliance with all applicable laws and regulations or lose your legal right to operate the Business, and do not cure the failure within 20 days after written notice is given to you; (g) you or any of your Principal Owners are convicted of or plead no contest to a felony or are convicted of or plead no contest to any crime or offense which more likely than not adversely affect our reputation or the Franchise, or the goodwill affiliated with the Marks; (h) you or any of your employees violate any health or safety law, ordinance or regulation, or operate the Franchise in a manner that presents a health or safety hazard to your customers or the public; (j) you do not pay when due any monies owed to us or our affiliates, and do not make such payment within 10 days after written notice is given to you; (k) you do not comply with the requirements in Section 11.2 with regard to making application to directories and any other material advertising obligations, and then to provide evidence of the required proof of your expenditures; (l) you or any of your Principal Owners fail to comply with any other provision of this Agreement or any mandatory specification or operating procedure or you fail to make changes required to comply with applicable state or federal laws within 20 days after written notice of such failure to comply is given to you; (m) you do not maintain all insurance coverage that we require, or otherwise fail to name us as an additional insured on any such insurance policies and failure to do so within 10 days after written notice is given to you; (n) your Principal Owners have a dispute, that in our sole and absolute discretion, jeopardizes the operation or success of the franchise, as described in Section 14.4; (o) you or any of your Principal Owners do not on 3 or more different occasions within any 12 consecutive month period: (i) submit any financial statements, reporting material, information, or supporting records, (ii) pay when due any

amounts under this Agreement; or (iii) otherwise fail to comply with this Agreement, whether or not such failures to comply are corrected after notice is given to you or your Principal Owners; (p) underreporting Gross Revenue by 2% or more for payment of royalties (in a reporting period), two or more times in any two year period or (q) unless required by this Agreement or law any termination for good cause, due to franchisee's failure to substantially comply with the requirements of this Agreement, after a 60 day written notice to cure.

If in the opinion of our legal counsel, any provision of this Agreement is contrary to law, then you and we agree to negotiate in good faith an amendment that would make this Agreement conform to the applicable legal requirements. If we both are unable to reach such an agreement, or if fundamental changes to this Agreement are required to make it conform to the legal requirements, then either party may submit the matter to the dispute resolution set forth in this Agreement and should you prevail in such matter you still must meet all of the post-termination obligations set forth in Section 16, unless provided otherwise.

16. RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION.

16.1 Amounts Owed to Company.

In addition to any and all damages available to us under this Agreement and applicable law, upon expiration or termination of this Agreement, you must pay us within 5 days after the effective date of termination or expiration, as applicable, all amounts owed to us, our affiliates and to third parties that have financed the construction or start-up costs of your franchise which are then unpaid as further described in Section 16.8. Upon the expiration or earlier termination of this Agreement, including in connection with any transfer effectuated in accordance with the terms of this Agreement, you must immediately comply with all post-term obligations, including the covenant not to compete, non-disclosure, return of the access to the Platform and other proprietary materials, and indemnity, all of which will remain in full force and effect.

16.2 Marks.

You agree that after the termination or expiration of the Franchise you will:

(a) Not directly or indirectly identify any business with which you are associated as a current or former 100% franchise or franchisee;

(b) Not use any Mark or any colorable imitation of any Mark in any manner or for any purpose, any trademark or other commercial symbol that suggests or indicates an association with us;

(c) You must return to us or destroy (whichever we specify) all customer lists, forms and materials containing any Mark or otherwise relating to a 100%, Location franchise, except as otherwise provide in Section 9.2.

(d) Remove all Marks affixed to uniforms or, at our direction, cease to use those uniforms; and

(e) Cancel all fictitious or assumed name or equivalent registrations or make a name change of your entity as to your use of any Mark.

16.3 De-Identification.

If you retain possession of the Premises, you must remove or modify, at your sole expense, any part of the interior and exterior decor which we deem necessary to disassociate the Premises with the image of a 100% Franchised Business, including any signage bearing the Marks. You agree to send us (to a designated location) by pre-paid freight, all signage, logos, placards, or other materials that contain the Marks. If you do not take the actions we request within 30 days after notice from us as to those items and acts you must take, in addition to any and all other remedies available to us under this Agreement and applicable law, we have the right to enter the Premises and make the required changes or take possession of any materials bearing the Marks at your expense, and you must to reimburse us for those expenses on demand.

16.4 Confidential Information.

You agree that on termination or expiration of the Franchise you will immediately cease to use any of the Confidential Information, and not use it in any business or for any other purpose. You agree to return to us all Confidential Information we previously lent to you.

16.5 ChiroHD Software.

On termination or expiration of the Franchise Agreement, you may continue to use the ChiroHD Software if you comply with all use and fee payment requirements as all other 100% Location franchisees do.

16.6 No Purchase of Assets.

Unless required by law, upon the termination or expiration of the Franchise, we will have no obligation to purchase your franchise or any of your assets.

16.7 Continuing Obligations.

All obligations of this Agreement for both parties, that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire.

16.8 Damages on Termination.

You acknowledge and agree that you are obligated to operate the Franchised Business for the entire duration of the Initial Term of ten (10) years. You further acknowledge and agree that, in addition to any and all remedies and damages available to us under this Agreement and applicable law, if this Agreement is terminated before the expiration of the Initial Term, regardless of the cause for termination, you must pay to us all of the royalties and Marketing Fund contributions (that would have been paid had the Agreement not terminated prior to the expiration of the Initial Term) for the balance of the term, as well as all amounts owed to us or our affiliates, as described in Section 16.1, and pay any costs and attorneys' fees incurred by us.

Notwithstanding the above provision you agree that your default or breach which is not cured in the time allowed, if a cure is applicable, will cause us to incur substantial economic damages and losses of the type and in amounts which are impossible to compute and ascertain with certainty as a basis for recovery by us for our actual damages, and that the liquidated damages described in this Section bears a reasonable relationship to the actual damages that we could have anticipated at the time this Franchise Agreement was executed. Accordingly, in lieu of actual damages you agree that liquidated damages in the form of the "Termination Fee" described below, will be assessed and recovered by us against you in the event of any such uncured default or breach and without us being required to present any evidence of the amount or character of actual damages sustained. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty.

The "Termination Fee" is a form of liquidated damages, and we apply it as a way to give some certainty to a termination if you default or breach the Franchise Agreement. We calculate it by taking the higher of your monthly (i) Royalty Fee plus your Marketing Fund Contribution or (ii) the minimum amounts you must pay for each, and then calculate the average over the prior 12 months. For purposes of this provision, as only an example, we are stating this average to be $3,300 (which is the combination of the minimums of $2,500 and $800 for the royalty and Marketing Fund contribution) and multiplying it by 36 months for a total of $118,800. If the number of months remaining in the Term is less than 36, then the lower number of months will be the multiplier instead of 36. If you have not commenced operating your Business the fee is set at $118,800. If you do not pay this amount we may recover from you any damages suffered by us (e.g., lost future revenues) and as described above. This Termination Fee may be unenforceable in certain states as a penalty

17. ENFORCEMENT**.**

17.1 Invalid Provisions; Substitution of Valid Provisions.

If any covenant set forth in this or any other ancillary agreement which restricts competitive activity is deemed to be unenforceable under applicable law, but would be enforceable if modified, then you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any applicable jurisdiction: (i) requires more notice than this Agreement requires in connection with termination of this Agreement or our refusal to renew this Agreement, or some other additional action that this Agreement does not require of us, or (ii) renders any provision of this Agreement or any System standard is invalid, unenforceable or unlawful, then the notice and/or such other action as required by the applicable and binding law or rule of such applicable jurisdiction will be substituted for the comparable provisions of this Agreement and we have the right to modify the invalid or unenforceable provision or System standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty under applicable law.

17.2 Lien.

To secure your performance including all amounts owed to us under this Agreement, in addition to any and all rights available to us under this Agreement and applicable law, you hereby grant to us a lien upon, and a security interest in, the following collateral and any and all additions, accessions, and substitutions to it and the proceeds from a sell of any such collateral (the lien shall apply to all listed property whether owned at this time or acquired afterwards): (a) all inventory acquired by you including all inventory and supplies you acquire; (b) all of your accounts together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of you and/or the Franchise; (d) all general intangibles of you and/or the Franchise; (e) all equipment and furniture; and (f) all ownership interest in the Entity, be it shares or memberships interest or other types of ownership. You agree to execute such financing statements, instruments, and other documents, satisfactory to us, that we deem necessary so that we may establish and maintain a valid security interest in all of the designated assets, or which we are authorized to file such financing statements, instruments, and other documents on your behalf.

17.3 No Waiver.

We will not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including, without limitation, the right to demand exact compliance with every term, condition and covenant of this Agreement or to declare any breach thereof to be a default and to terminate this Agreement before the expiration of its term) by virtue of: any custom or practice at variance with the terms of this Agreement; our failure, refusal or neglect to exercise any right under this Agreement or to insist upon exact compliance by you with respect to the obligations of this Agreement, including, without limitation any System standard; our waiver, forbearance, delay, failure or omission to exercise any right, power or option, whether of the same, similar or different nature, with respect to other System franchises; the existence of other franchise agreements for franchised businesses which contain different provisions from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will constitute a waiver, compromise, settlement or accord and satisfaction. We are authorized to remove or obliterate any legend or endorsement, and such legend or endorsement will have no effect. Acceptance by us of payments under this Agreement from any person or entity shall be deemed acceptance from such person or entity as your agent and not as recognition of such person or entity as your assignee or successor.

17.4 Cumulative Remedies.

The rights and remedies granted to either one of us will not be deemed to prevent either one of us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

17.5 Specific Performance; Injunctive Relief.

You recognize that you are a member of a franchise system and that your acts and omissions may have a positive or negative effect on the success of other business operating under the Marks and in association with the System. You further acknowledge that failure on the part of

a single franchised business to comply with the terms of its franchise agreement is likely to cause irreparable damage to us and to some or all of the other franchisees of the System. For these reasons, among others, you agree that if we can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of your breach or threatened breach of any of the terms of this Agreement, we may be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving actional damage and without the need to post bond. Without limiting the generality of the foregoing, nothing herein contained shall bar our right to obtain injunctive relief without posting bond or security, against conduct or threatened conduct that will cause us loss or damages under the usual equity rules, including applicable rules for obtaining restraining orders, preliminary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement. Additionally, and without limiting the generality of the foregoing, we have the right to seek injunctive relief to prohibit any act or omission by you or your employees that constitutes a violation of applicable law, is dishonest or misleading to the public, or which may impair the goodwill associated with the Marks or the System. If we obtain any such relief, then you shall pay us an amount equal to: (i) all of our damages you have caused and as are available to us under applicable law, and (ii) our costs in obtaining the relief including reasonable attorneys', expert witness fees, costs of investigation, proof of facts, court costs, other litigation expenses, travel and living expenses. You further 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.

17.6 No Class or Collective Actions.

You agree that any arbitration, or if applicable, litigation, between you (and/or any of your Principal Owners or other owners, employees, officers, directors or affiliates), on the one hand, and us (and/or any of our affiliates, parents, successors or assigns), on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation will not be arbitrated or litigated on a class-wide, associational or collective basis. This provision shall survive the expiration or earlier termination of this Agreement.

17.7 Dispute Resolution: Mediation & Arbitration.

(a) Mediation.

You and we have reached this Agreement in good faith and with the belief that it is advantageous to each of us. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, you (and your owners) and we pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action brought by us for any Excepted Claim (as defined below), and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and we agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisor Related Party"), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a "Franchisee Related Party"), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in

relation to: (a) this Agreement; (b) the parties' relationship; and/or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to commencing and maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. This agreement to mediate shall survive any termination or expiration of this Agreement. The following provisions shall govern the mediation process:

Mediation will be conducted in Scottsdale, Arizona. Persons authorized to settle the dispute must attend each mediation session in person. The party seeking mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party.

Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties have been unable to resolve any such dispute within twenty (20) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute, if possible, within thirty (30) days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise

be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

(b) Arbitration. Other than an action brought by us for an Excepted Claim (as defined below) and except where we elect to enforce this Agreement or to seek temporary or permanent injunctive relief as provided above, and if not resolved by the negotiation and mediation procedures set forth above, all controversies, disputes or claims arising between you and/or a Franchisee Related Party, on one hand, and us and/or a Franchisor Related Party, on the one hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) the terms of this Agreement; (b) the relationship of the parties; (c) the validity of any term of this Agreement or any related agreement; (d) any specification, standard or operating procedure pertaining to the establishment or operation of the Franchised Business; (e) any claim based in tort or any theory of negligence; and /or (f) any lease or sublease for the franchised business, shall be submitted to binding arbitration to an arbitration group of our choosing. Such arbitration proceedings shall be conducted in Scottsdale, Arizona, and, except as otherwise provided in this Agreement, shall be conducted in accordance with the then current commercial arbitration rules of the selected arbitration group. If the parties cannot agree upon an arbitrator, then the matter will be presented to the American Arbitration Association for selecting an arbitrator and its commercial rules shall apply. The arbitrator shall have the right to award or include in his award any relief that the arbitrator deems proper, including money damages (with interest), specific performance, injunctive relief, attorneys' fees, and costs. The award and decision of the arbitrator shall be conclusive and binding on all parties to this agreement, and judgment on the award may be entered in any court of competent jurisdiction, and each such party waives any right to contest the validity or enforceability of such award. The provisions of this Paragraph are intended to benefit and limit third-party non-signatories and will continue in full force and effect even after this Agreement terminates. We both agree that such arbitration shall be conducted on an individual, not a class-wide basis, and shall not be consolidated with any other arbitration proceeding.

(c) Exceptions to Mediation & Arbitration. Notwithstanding anything contained in this Agreement to the contrary, the parties agree that the following claims will not be

subject to mediation or arbitration: Any controversy, dispute, or claim that concerns an allegation that you have violated (or threaten to violate, or poses an imminent risk of violating): (a) any provision relating to use of the Marks, the System or any Confidential Information; (b) any federally or state protected intellectual property rights in the Marks, the System, or in any Confidential Information; (c) any of the restrictive covenants contained in this Agreement, including the confidentiality and non-competition covenants; or (d) any claims to collect past due amounts owed to us and/or our affiliates (each, an "Excepted Claim" and collectively, the "Excepted Claims"). Without limiting the foregoing, we is permitted to seek immediate injunctive relief in the state or federal courts in any court with personal jurisdiction over you if you are violating or threatening to violate any restrictive covenant in this Agreement or if you are infringing on our rights in the Marks. In such an action, we are permitted but not obligated to assert any other existing claims against you.

17.8 Waiver of Punitive Damages and Jury Trial; Limitations of Actions.

Except with respect to: (i) any claim by us to enforce your obligations to indemnify us, (ii) claims that we may bring under Sections 7, 9, 15, and/or 16 of this Agreement, and (iii) claims we may bring arising from your non-payment or underpayment of any amounts owed to us or our affiliates, (a) all claims arising out of or related to this Agreement or the relationship between us both shall be barred, unless an action or proceeding is commenced within 2 years from the date the cause of action accrues; and (b) you and we hereby waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages against the other, and agree that, except to the extent provided to the contrary in this Agreement, in the event of a dispute between you and us, each party will be limited to the recovery of any actual damages sustained by it. You and we irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either.

17.9 Governing Law/Consent To Jurisdiction.

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) and except that all issues relating to mediation or arbitrability or the enforcement or interpretation of the agreement to mediate and/or arbitrate set forth above which will be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law pertaining to mediation and /or arbitration, as applicable, this Agreement and the Franchise will be governed by the laws of Arizona. You irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court. We reserve the right to change where our headquarters are located at any time during the term.

17.10 Binding Effect.

This Agreement is binding upon the parties hereto and their respective permitted assigns and successors in interest.

17.11 No Liability to Others; No Other Beneficiaries.

Except for you and us, no other person or entity shall have any rights under this Agreement.

17.12 Construction.

All headings of the various Sections and Paragraphs of this Agreement are for convenience only, and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable. Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you.

17.13 Affiliate.

The term "affiliate" as used in this Agreement applies to any person or entity which is controlling, under common control with, or controlled by a party.

17.14 Joint and Several Liability.

If two (2) or more persons or entities are the Franchise Owner under this Agreement, their obligation and liability to us is joint and several. This means that each of the members of the group that is joint and several is liable for the entire amount due.

17.15 Counterparts.

This Agreement may be executed in two or more counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other parties hereto.

17.16 Timing Is of the Essence.

Time is of the essence to this Agreement. "Time is of the essence" is a legal term that emphasizes the strictness of time limits. In this case, it means it will be a material breach of this Agreement to fail to perform any obligation within the time required or permitted by this Agreement.

17.17 Separate Provisions.

The provisions of this Agreement are deemed to be severable, that is, the parties agree that each provision of this Agreement will be construed as independent of any other.

17.18 Signing.

The parties agree that they may use any well-established electronic signing procedure such as DocuSign which will be treated as originals.

17.19 Force Majeure.

Neither party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited

to, acts of god, war, civil commotion, fire, flood or casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather, plagues, epidemics, pandemics, outbreaks of disease or any other public health crisis, including quarantine or other restrictions, or governmental regulations superimposed after the fact. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

18. NOTICES.

All written notices or other communications will be deemed delivered: (1) at the time delivered by hand; (2) 1 business day after transmission by telecopy, facsimile or other electronic system; (3) 1 business day after being placed in the hands of a reputable commercial courier service for next business day delivery; or (4) 3 business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and addressed to the party to be notified.

19. INDEPENDENT JUDGMENT.

You agree that you are responsible for meeting all requirements under this Agreement regardless of the guidelines and standards we provide.

20. ENTIRE AGREEMENT**.**

This Agreement, inclusive of all exhibits hereto and ancillary agreements executed as required hereunder, constitutes the entire, full and complete agreement and understanding between the parties, and supersedes any and all prior agreements, no other representations, promises, warranties, or agreements have induced you to sign this Agreement or any other agreement. Both parties acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Agreement supersedes all prior agreements, no other representations, promises, warranties, assurances, covenants, "side-deals", rights of first refusal, options or understandings having induced you to execute this Agreement. The parties agree that, in entering into this Agreement, they are each relying on their own judgment, believe, and knowledge as to any claims and further acknowledge that no promise or inducement or agreement or any warranties not expressed herein have been made to procure their agreement hereto. The parties further acknowledge that they have fully read, completely understand, and fully agreed to the terms of this Agreement. Except for those changes permitted to be made unilaterally by us, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim the representations we made in the franchise disclosure document provided to you before you signed this Agreement.

[Signatures Page Follows]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the Agreement Date.

"COMPANY"	"FRANCHISE OWNER"
TACTIC FRANCHISING, LLC, a Delaware limited liability company, doing business as 100% Chiropractic	_____, LLC, a _____ limited liability company
By:_____ Jason Helfrich, D.C., Manager	By:_____ -, D.C., Manager
By:_____ Vanessa Helfrich, D.C., Manager	_____ -, D.C., Individually

EXHIBIT 1

TO TACTIC FRANCHISING, LLC FRANCHISE AGREEMENT

FRANCHISE AGREEMENT EXPIRATION DATE

PROJECTED FRANCHISING OPENING SCHEDULE

1. Expiration Date. Unless sooner terminated in accordance with the provisions of this Agreement, this Agreement will expire on _____.

2. Initial Franchise Fee (Select One):

_____ Standard ($51,000) _____ IFF Finance Program ($300,000)

3. Franchising Opening Schedule. You must open the Franchise to which this Agreement corresponds within the following time period (the **"Opening Deadline"**), subject to the requirements of Paragraphs 3.3 and 3.6, and any other applicable provision of the Agreement: _____.

If no date is inserted in this space, then the Opening Deadline will be one year from the date you sign the Franchise Agreement.

4. If you purchase more than one but less than five franchises at the same time, then the following applies to you:

(a) you must enter into the 2nd franchise by signing the then current franchise agreement no later than the end of the period to open the 1st Franchised Business; and enter into the 3rd franchise by signing the then current franchise agreement no later than the end of the period allowed to open the 2nd Franchised Business and either or both may have different terms than the initial franchise agreement.

(b) the schedule for opening the 3 franchise Franchised Businesses are:

First Franchised Business within 12 months of the Effective Date of the First Franchise Agreement (which is also set forth in that agreement); Second Franchised Business within 20 months of the Effective Date of the First Franchise Agreement; and Third Franchised Business within 28 months of the Effective Date of the First Franchise Agreement.

(c) the schedule for locating a site and signing a lease (or purchasing) are as set forth in each applicable Franchise Agreement.

(d) you must be in compliance with each signed Franchise Agreement and the terms of this Exhibit1.

EXHIBIT 2.1

FRANCHISE AGREEMENT GUARANTY

In order to induce TACTIC FRANCHISING, LLC (hereafter "Creditor") to enter into that Franchise Agreement ("Agreement") dated _____ by and among Creditor and _____ ("Debtor") and _____ ("Guarantor"), Debtor and Guarantor hereby personally and unconditionally agree to perform and keep during the terms of the Agreement, each and every obligation, payment, and agreement on the part of Debtor.

Guarantor shall comply with the following:

1. Without in any way limiting the generality of this Guaranty, Guarantor agrees that, without notice and demand, it will reimburse Creditor for all expenses, including attorney fees, it incurs, to collect from Debtor or Guarantor of any sums hereby guaranteed or in the enforcement of any of the terms and provisions of this Guaranty.

2. Guarantor waives the right to require Creditor to (i) proceed against Debtor, (ii) proceed against or exhaust any security held or hereafter acquired by Creditor, or (iii) pursue any other remedy available whether it is against parties to this Guarantee or any other persons or entities.

3. Guarantor waives the right to require Creditor to first commence any action against and obtain a judgment against Debtor.

4. Guarantor hereby waives (i) notice of acceptance of this Guaranty and of any the indebtedness of Debtor to Creditor, (ii) presentment and demand for payment of any indebtedness of Debtor, (iii) protest, notice of protest, and notice of dishonor or default to Guarantor or to any other party regarding any of the indebtedness of Debtor, (iv) all other notices to which Guarantor might be entitled (v) any demand for payment under this Guaranty, (vi) any rights to extension, composition or otherwise under the Bankruptcy Act or any amendments thereof, or under any state or other federal statute, and (vii) any defense based on an election of remedies by Creditor even if such election destroys or otherwise impairs the subrogation rights of Guarantor to proceed against Debtor for reimbursement, or both.

5. No exercise, delay or omission in exercising any of the rights, powers, and remedies of Creditor shall be deemed a waiver thereof, and every such right, power, and remedy may be exercised repeatedly. No notice to or demand on Guarantor shall be deemed to be a waiver of' the obligation of Guarantor or of the right of Creditor to take further action as provided herein; no modification or waiver of the provisions of this Guaranty shall be effective unless in writing. All rights, powers, and remedies of Creditor and under any other agreement now or in the future between Creditor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Creditor by law.

6. If any party to this Guaranty shall bring any action for any relief against any other party, declaratory or otherwise, arising out of this Guaranty, the losing party shall pay to the prevailing party all costs plus attorney fees incurred in bringing such suit and/or enforcing any

judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorney fees and costs incurred in enforcing such judgment. For the purposes of this section, attorney fees shall include, without limitation, fees incurred in the following: (i) post-judgment motions; (ii) contempt proceedings; (iii) garnishment, levy, and debtor and third-party examinations; (iv) discovery; and (v) bankruptcy litigation.

7. No alteration, modification, amendment, forbearance, act, or omission to act, of any kind or nature of, or in connection with, any other agreement between Debtor and Creditor shall affect in any manner whatsoever the liability of Guarantor.

8. In the event any portion of this Guaranty shall be declared illegal, void or for any other reason unenforceable, such declaration shall have no force or effect with respect to the remaining provisions of this Guaranty.

9. Subject to any other provision in this Guaranty, the liability of Guarantor hereunder shall cease upon Creditor's receipt of payment in full of all obligations and debts owed to Creditor by: (i) Debtor, and (ii) Guarantor under this Guaranty. The liability of Guarantor hereunder shall not be discharged in the event the Creditor is required to pay back or disgorge, for any reason any moneys previously received by the Creditor for payment on Debtors' obligations which obligations were originally Guaranteed hereunder.

10. This Guaranty shall inure to the benefit of and bind the successors and assigns of Creditor and Guarantor, respectively.

11. Creditor may alter, modify, reduce, compromise, renew, extend and refinance any obligations Debtor may have with Creditor without discharging Guarantor from liability hereunder.

12. This writing is intended by the parties to be an integrated and final expression of this Guaranty and also is intended to be a complete and exclusive statement of the terms of this agreement. No course of prior dealing between the parties, no usage of trade, and no parole or extrinsic evidence shall be used to supplement, modify or vary any of the terms hereof. There are no conditions to the full effectiveness of this Guaranty.

13. This Guaranty shall be construed in accordance with the laws of the State of Arizona.

Executed to be effective on the date of the document.

This Franchise Agreement Guaranty is now executed as of the Agreement Date.

"OWNER"	"OWNER'S SPOUSE"
_____, LLC, a _____ limited liability company	
By:_____ , D.C., Manager	_____ Signature
_____ , D.C., Individually	_____ Printed Name

CONSULTANT

_____
, D.C.

EXHIBIT 2.2

PROMISSORY NOTE GUARANTY

In order to induce TACTIC FRANCHISING, LLC (hereafter "Creditor") to enter into that Promissory Note ("Note") dated _____ by and among Creditor and _____ ("Debtor") and _____ ("Guarantor"), Debtor and Guarantor hereby personally and unconditionally agree to perform and keep during the terms of the Note each and every obligation, payment and agreement on the part of Debtor as they become due.

Debtor obtained a loan from Creditor for the initial franchise fee, the original principal sum of _____ U.S. Dollars ($_____) which obligation is secured by Debtor's business equipment, furniture and fixtures ("Security Agreement").

The Note, Guaranty and Security Agreement shall sometimes hereinafter collectively be referred to as the "Loan Documents". Guarantor shall comply with the following:

1. Without in any way limiting the generality of this Guaranty, Guarantor agrees that, without notice and demand, it will reimburse Creditor for all expenses, including attorney fees, it incurs to collect from Debtor or Guarantor of any sums hereby guaranteed or in the enforcement of any of the terms and provisions of this Guaranty.

2. Guarantor waives the right to require Creditor to (1) proceed against Debtor, (2) proceed against or exhaust any security held or hereafter acquired by Creditor, or (3) pursue any other remedy available to Creditor against Debtor or any other persons or entities whomsoever.

3. Guarantor waives the right to require Creditor to first commence any action against and obtain a judgment against Debtor.

4. Guarantor hereby waives (i) notice of acceptance of this Guaranty and of creations of indebtedness of Debtor to Creditor, (ii) presentment and demand for payment of any indebtedness of Debtor, (iii) protest, notice of protest, and notice of dishonor or default to Guarantor or to any other party regarding any of the indebtedness of Debtor, (iv) all other notices to which Guarantor might be entitled, (v) any demand for payment under this Guaranty, (vi) any rights to extension, composition or otherwise under the Bankruptcy Act or any amendments thereof, or under any state or other federal statute, and (g) any defense based on an election of remedies by Creditor even if such election destroys or otherwise impairs the subrogation rights of Guarantor to proceed against Debtor for reimbursement, or both.

5. No exercise, delay, or omission in exercising any of the rights, powers and remedies of Creditor shall be deemed a waiver thereof, and every such right, power, remedy, and discretion may be exercised repeatedly. No notice to or demand on Guarantor shall be deemed to be a waiver of' the obligation of Guarantor or of the right of Creditor to take further action as provided herein; no modification or waiver of the provisions of this Guaranty shall be effective unless in writing. All rights, powers, and remedies of Creditor and under any other agreement now or in the future between Creditor and Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to Creditor by law.

6. If any party to this Guaranty shall bring any action for any relief against any other party, declaratory or otherwise, arising out of this Guaranty, the losing party shall pay to the prevailing party all costs plus attorney fees incurred in bringing such suit and/or enforcing any judgment granted therein, all of which shall be deemed to have accrued upon the commencement of such action and shall be paid whether or not such action is prosecuted to judgment. Any judgment or order entered in such action shall contain a specific provision providing for the recovery of attorney fees and costs incurred in enforcing such judgment. For the purposes of this section, attorney fees shall include, without limitation, fees incurred in the following: (i) post-judgment motions; (ii) contempt proceedings; (iii) garnishment, levy, and debtor and third party examinations; (iv) discovery; and (v) bankruptcy litigation.

7. No alteration, modification, amendment, forbearance, act, or omission to act, of any kind or nature of, or in connection with, any other agreement between Debtor and Creditor shall affect in any manner whatsoever the liability of Guarantor.

8. In the event any portion of this Guaranty shall be declared illegal, void or for any other reason unenforceable, such declaration shall have no force or effect with respect to the remaining provisions of this Guaranty.

9. Subject to any other provision in this Guaranty, the liability of Guarantor hereunder shall cease upon Creditor's receipt of payment in full of all obligations and debts owed to Creditor by: (i) Debtor, and (ii) Guarantor under this Guaranty. The liability of Guarantor hereunder shall not be discharged in the event the Creditor is required to pay back or disgorge, for any reason any moneys previously received by the Creditor for payment on Debtors' obligations which obligations were originally Guaranteed hereunder.

10. This Guaranty shall inure to the benefit of and bind the successors and assigns of Creditor and Guarantor, respectively.

11. Creditor may alter, modify, reduce, compromise, renew, extend and refinance any obligations Debtor may have with Creditor without discharging Guarantor from liability hereunder.

12. This writing is intended by the parties to be an integrated and final expression of this Guaranty and also is intended to be a complete and exclusive statement of the terms of this agreement. No course of prior dealing between the parties, no usage of trade, and no parole or extrinsic evidence shall be used to supplement, modify or vary any of the terms hereof. There are no conditions to the full effectiveness of this Guaranty.

13. This Guaranty shall be construed in accordance with the laws of the State of Arizona.

This Promissory Note Guaranty is now executed as of the Agreement Date.

"OWNER"	"OWNER'S SPOUSE"
_____, LLC, a _____ limited liability company	
By:_____ , D.C., Manager	_____ Signature
_____ , D.C., Individually	_____ Printed Name

CONSULTANT

_____
, D.C.

EXHIBIT 3.1

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM TO LEASE AGREEMENT (this "Addendum") is effective as of _____, 202_ (the "Effective Date"), and is being executed concurrently with the lease of even date herewith (the "Lease") by and between _____, a _____ ("Tenant"), and _____ , a _____ (the "Landlord"), for certain retail premises more particularly described in the Lease (the "Premises").

RECITALS

1. **Incorporation.** This Addendum is incorporated into the Lease and supersedes any conflicting provisions in it. Capitalized terms not otherwise defined in this Addendum have the meanings as defined in the Lease.

2. **Background**. Tenant will operate a 100% Chiropractic Franchise business at the Premises under a Franchise Agreement (the "Franchise Agreement") with Tactic Franchising, LLC, a Delaware limited liability company ("Franchisor"). The Franchise Agreement requires that the Lease contain certain provisions that Tenant is requesting Landlord to include as set forth in this Addendum. Except as otherwise provided, nothing in this Addendum shall be construed to impose any Lease obligation on Franchisor. Any rights granted to Franchisor by this Addendum may be exercised, if at all, in Franchisor's discretion.

3. **Marks.** Tenant has the right to display the trade and service marks utilized in accordance with the specifications required by the Franchisor, subject only to Landlord's reasonable signage requirements, the provisions of applicable laws and private restrictions affecting the Premises.

4. **Right of Entry**. Landlord grants to Franchisor the limited right to enter the Premises to repair, remove, replace and maintain the Tenant signage or panel on the pylon sign or monument sign, if any, if Tenant is in default of the Franchise Agreement or if the Franchise Agreement expires or is terminated or upon the termination of the Lease; provided that, if Franchisor shall exercise the right to take any of these acts at the Premises, then Franchisor shall also have the obligation to repair any damages caused by such acts and defend, indemnify and hold harmless Landlord against any damage or liability.

5. **Notice of Default.** Landlord will give written notice to Franchisor and any guarantor (concurrently with the giving of such notice to Tenant) of any default or breach under the Lease by Tenant or any guarantor (a "Default"), which notice shall be made by the same method as is made to the Tenant at the following address or to such other address as Franchisor may provide to Tenant and Landlord from time to time. Franchisor shall have the right, but not the obligation, to cure any Default, if Tenant fails to do so, within ten

(10) business days after the expiration of the period in which Tenant may cure the Default under the Lease.

TACTIC Franchising, LLC
20551 N Pima Rd., Suite 100,
Scottsdale, AZ 85255

6. **Franchisor's Assumption of the Lease**. In the event of a Default that is not cured by Tenant within the applicable cure period provided by the Lease or upon the termination or expiration of the Franchise Agreement, Franchisor shall have the right, but not the obligation, upon written notice to Landlord and Tenant, to assume the Lease (the "Assignment Notice"), subject to Landlord's reasonable objection, whereupon:

(i) the Lease shall be deemed to have been assigned by Tenant to Franchisor, or an affiliate designated by Franchisor in the Assignment Notice,

(ii) Franchisor or such affiliate will deem to be substituted as the lessee of the Premises under the Lease, in the place of Tenant, and Franchisor will have all of Tenant's rights and be liable for all of Tenant's obligations under the Lease arising after the date of the Assignment Notice, except for those amounts paid to cure the default, and

(iii) Tenant shall surrender possession of the Premises to Franchisor or such affiliate.

7. **Default Under Franchise Agreement**. Landlord and Tenant acknowledge that any default or breach under the Lease that is not cured by Tenant within any applicable cure period also constitutes grounds for termination of the Franchise Agreement.

8. **Collateral Assignment of Lease**. Landlord acknowledges that Tenant and Franchisor will enter into a collateral assignment of the Lease to Franchisor which will be only for collateral purposes unless Franchisor assumes the Lease.

9. **Amendment.** Tenant agrees it will not cancel, terminate, materially modify or amend the Lease or not exercise any right to extend the Lease, without the written consent of the Franchisor.

10. **Remaining Provisions Unaffected**. Those parts of the Lease that are not expressly modified by this Addendum remain in full force and effect.

11. **Limitation of Franchisor's Rights.** The rights of Franchisor under this Addendum shall be subject to and limited to the express terms of the Franchise Agreement.

The Remainder of This Page Intentionally Left Blank- Signature Page Follows

IN WITNESS THEREOF, the Parties have duly executed this Addendum as of the Effective Date, regardless of the actual date of signature.

TENANT:

_____
a _____

By:_____
Name: _____
Title: _____

INDIVIDUALLY:

_____
_____

LANDLORD:

_____
a _____

By: _____
Name: _____
Title: _____

FRANCHISOR:
Tactic Franchising, LLC

By:_____
Name: Jason Helfrich_____
Title: Manager/Member_____

EXHIBIT 3.2

COLLATERAL ASSIGNMENT OF LEASE

This COLLATERAL ASSIGNMENT OF LEASE (this "Assignment") is entered into effective as of the ___ day of _____, 20___ (the "Effective Date"), the undersigned, _____ ("Assignor") hereby assigns, transfers and sets over unto TACTIC Franchising, LLC, a Delaware limited liability company ("Assignee") all of Assignor's right, title and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Schedule 1** (the "Lease Agreement") with respect to the premises located at _____ _____ (the "Premises"). This Assignment is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation arising from or in connection with this Assignment unless Assignee shall take possession of the Premises under the Lease Agreement pursuant and shall assume the obligations of Assignor.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease Agreement and its interest therein and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in neither the Lease Agreement nor the Premises.

Upon a default by Assignor under the Lease Agreement or under the Franchise Agreement between Assignee and Assignor ("Franchise Agreement"), or in the event of a default by Assignor under any document securing the Franchise Agreement, Assignee shall have the right to take possession of the Premises, expel Assignor therefrom, and, in that event, Assignor shall have no further right, title or interest in the Lease Agreement.

Assignor agrees it will not suffer or permit any termination, amendment or modification of the Lease Agreement without the prior written consent of Assignee. Through the Initial Term of the Franchise Agreement and any Renewal Period (as defined in the Franchise Agreement), Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease Agreement not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to agree in writing, and upon failure of Assignor to elect to extend or renew the Lease Agreement, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest, to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Collateral Assignment of Lease as of the Effective Date.

"ASSIGNOR"	"ASSIGNEE"
_____, LLC a _____ limited liability company	TACTIC FRANCHISING, LLC, a Delaware limited liability company
By:_____ , D.C., Manager	By:_____ Jason Helfrich, D.C., Manager
	By:_____ Vanessa Helfrich, D.C., Manager

EXHIBIT 4

BILLING AGREEMENT

EXHIBIT 4(1)

BILLING AGREEMENT for Chiropractor Franchisees

This Billing Agreement (**the "Agreement"**) is made and entered into by and between _____, (**"Franchisee"**), and 100% EPIC, LLC, a Colorado limited liability company and/or its assigns (**"Provider"**) to be effective commencing the ____ day of _____, 20___ (**"Effective Date"**). Capitalized terms used but not otherwise defined herein shall have the respective meanings given such terms in the Franchise Agreement (as defined below).

WHEREAS, Franchisee owns a chiropractic professional corporation that provides chiropractic medical services to individuals, including pursuant to contracts with private and governmental payors, at the following location(s) _____ (collectively, the **"Clinic"**);

WHEREAS, the parties agree that it is to their mutual advantage that Provider should provide bookkeeping and billing services on behalf of the Clinic's healthcare providers for services provided to patients participating in commercial insurance plans and Medicare or other government programs, to facilitate the operation of the Clinic;

WHEREAS, the parties intend that this Agreement shall supersede all prior agreements between them, whether oral or written, pertaining to billing services.

NOW THEREFORE, in consideration of the promises, covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and incorporating the recitals above, the parties agree as follows:

1. **Appointment.** Franchisee hereby appoints Provider to provide bookkeeping and billing services to the Clinic in accordance with all the terms, conditions, and provisions set forth below.

2. **Duration.** Unless earlier terminated as set forth below, this Agreement shall have a duration the same as that certain Franchise Agreement by and between TACTIC Franchising, LLC, a Delaware limited liability company (**"Franchisor"**), and Franchisee, entered into as of the Effective Date (the **"Franchise Agreement**").

3. **Provider Responsibilities, Duties, Authority.** Provider agrees to provide bookkeeping and billing services. Provider shall provide, on behalf of the Clinic, central billing and posting of insurance (**"Billing Services"**). Provider will assist the Clinic in obtaining in-network status, if possible, when requested by the Franchisee. Provider makes no guarantee of the Clinic obtaining in-network status as such status is subject to the approval of each insurance company which is outside the control of Provider.

4. **Franchisee Responsibilities, Duties, Authority**. Franchisee will make available to Provider patient medical records, insurance records, and related files via a facilitating platform

such as Chiro HD Software (or any other computer system utilized by Franchisee). Franchisee shall cooperate with Provider in any reasonable manner to effectuate an efficient billing process.

5. **Compensation.** Provider shall be entitled to receive as compensation a fee equal to ten percent (10%) of the collected revenues (**"Billing Fee"**) of the Clinic and any related Clinics operated by Franchisee for all professional services (**"Clinic Professional Services"**) billed to third-party payors (such as health insurance, workers' compensation, casualty insurance, monies received from attorneys, lien holders, or patients should they receive settlement funds and pay the office personally), including chiropractic medical services, massage services, acupuncture services and other services. The Billing Fee shall be assessed against both payments received from third-party payors and deductibles paid by patients. The Billing Fee shall not be assessed against patient co-insurance, cost-sharing or co-pays in excess of applicable deductibles. The payment of any compensation pursuant to this Section 5 shall be made by electronic bank transfer. In other words, the Billing Fee will be deducted from payments deposited into Franchisee's bank account. Provider will not charge for the services to complete the necessary credentials for the initial doctor retained by the Franchisee or Professional Corporation, but there will be a charge of $750 for the next doctor and additional doctors that need this service. Franchisee shall provide such bank authorizations on Franchisee's bank account or other documentation required for Provider to effectuate the transactions contemplated by this Section 5.

6. **HIPAA Compliance.** As required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (**"HIPAA"**), the parties shall comply with the terms of the Business Associate Agreement attached as **Exhibit A** to this Agreement. Further, Provider represents and warrants that the software it uses in connection with the Billing Services hereunder will be in compliance with the electronic data interchange formats required by HIPAA. Franchisee represents and warrants that all information transmitted, and to be transmitted under this Agreement, by Franchisee to Provider, electronically or otherwise, will comply with applicable federal and state patient privacy and confidentiality laws and regulations and HIPAA.

7. **Payor Agreements**. Franchisee will comply with the terms and conditions of all agreements between Franchisee and payors for health care services (**"Payor Agreements"**), including with both private and governmental payors, which terms and conditions are applicable to services performed by or supervised by Clinic, and will cooperate with Provider and assist Provider in its compliance with other terms and conditions of all Payor Agreements. Franchisee shall fully and accurately complete applications and statements required under Payor Agreements and shall notify Provider immediately of changes in the information contained in all Clinic applications and statements submitted by Franchisee with respect to Payor Agreements or otherwise to Provider.

8. **Compliance with Billing Rules**

8.1 Assigning Billing and Procedure Codes. Franchisee shall be responsible for providing Provider with appropriate CPT and ICD10 billing codes associated with Clinic Professional Services. Franchisee shall be responsible for ensuring that all billing codes provided to Provider accurately reflect the services performed and condition of the patient and are supported by appropriate documentation, including by recording appropriate descriptions and notations to

accurately reflect the services provided in accordance with third party payor, including Medicare, requirements.

8.2 Coding Errors. Franchisee shall be solely responsible for errors or liabilities, if any, which may arise from Franchisee's provision of inaccurate information, designation of inappropriate procedure or diagnosis codes, or failure to prepare necessary documentation corresponding to the services rendered.

8.3 Responsibility For Submitting Bills For Reimbursement. Provider shall be responsible for billing Clinic Professional Services based on the CPT and ICD10 codes provided by Franchisee in accordance with the applicable laws and regulations. In the event that billing personnel of Provider notice errors or discrepancies in codes or other information provided by Franchisee, Provider shall not bill for such service, and shall instead request clarification or correction from Franchisee. Provider shall submit claims, electronically, if possible, on a timely basis after receipt of complete and accurate billing information from Franchisee.

8.4 Provider Emphasis on Accurate Coding. Provision of accurate and appropriate data shall be the responsibility of Franchisee. Data and coding may be evaluated and reviewed periodically for compliance by Provider.

8.5 Compliance with Law.

(a) The parties agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to conduct their respective activities hereunder in material compliance with all federal, state and local laws governing each party's obligations hereunder.

(b) Such compliance includes the federal and state laws regarding, to the extent applicable to each party's obligations under this Agreement: the documentation and billing of services to third party payors or, if appropriate, patients, and receipt of payment therefor; all Medicare and Medicaid requirements; medical record retention; the prohibitions against unprofessional conduct, including fee-splitting; patient confidentiality and informed consent; the hiring of employees or acquisition of services or supplies from persons excluded from participation in government healthcare programs; 42 U.S.C. § 1320a-7b(b) (commonly known as the Anti-Kickback Statute) and the applicable safe harbor regulations; 42 U.S.C. § 1395nn (commonly known as the Stark Law) and the applicable regulations; and all other applicable state and federal anti-kickback and self-referral laws, each as amended from time to time.

(c) The parties acknowledge that although Provider is obligated to provide the Billing Services as specified in this Agreement, there is no obligation of Provider to refer patients or other healthcare items or services to Clinic or any affiliate of Clinic, and there is no obligation of Clinic to refer patients or other healthcare items or services to any affiliate of Provider. Furthermore, the parties agree that the amounts payable hereunder represent fair market value compensation for the Billing Services provided and have not been determined on the basis of volume or value of any referrals or other business generated between the parties.

9. **Dispute Resolution: Mediation & Arbitration**.

9.1 Mediation. If a dispute arises out of or relates to this Agreement, or the alleged breach thereof, and if the dispute is not settled through negotiation within twenty (20) days after the date the Mediation Notice is provided, the parties agree first to try in good faith to settle the dispute by mediation within thirty (30) days of the notice from the party seeking to initiate the mediation procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. Mediation will be conducted in Scottsdale, Arizona. In the event that parties are unable to agree on a mediator, a mediator shall be appointed by the named administrator. The process, including all information learned, shall be confidential unless the party from which the information was obtained specifically authorizes disclosure. The parties shall equally share the fees and expenses of the mediator.

9.2 Arbitration. If a dispute arises out of or relates to this Agreement, or the alleged breached thereof and if the dispute is not settled through negotiation or mediation as set forth in Section 9.1, the parties agree such dispute shall be submitted to binding arbitration to an arbitration group of Franchisor's sole discretion. Such arbitration proceedings shall be conducted in Scottsdale, Arizona and in accordance with the then current commercial arbitration rules of the selected arbitration group. In the event that parties are unable to agree on an arbitrator, an arbitrator shall be appointed by the American Arbitration Association and its commercial rules shall apply. The award and decision of the arbitrator shall be conclusive and binding on all parties to this Agreement.

10. **Indemnification.** Franchisee shall and does hereby indemnify, defend and hold Provider harmless from and against any and all claims, losses, liabilities, suits, demands, damages, judgments, and causes of action of any nature whatsoever relating directly or indirectly to the operation of its practice. Franchisee further acknowledges and agrees that Provider has no liability for amounts and services billed which is under the sole control of Franchisee, including but not limited to, patient care, diagnosis and treatment.

11. **Non-exclusivity of Services.** Nothing in the relationship between Franchisee and Provider, whether embodied in this Agreement or otherwise, shall require Provider to provide services exclusively for Clinic. Franchisee acknowledges that Provider may, and shall, accept work from other entities and individuals who retain Provider for the services that Provider provides.

12. **Independence of Operations.** In performing their duties under this Agreement, the parties are each acting as independent contractors and shall have the exclusive control of the manner and means of performing their respective obligations arising under this Agreement. Franchisee and Provider both acknowledge and agree that neither has any ownership, management, or other interest in or relationship with each other (including, but not limited to, any joint venture, partnership, franchise, or employment) than the relationship established pursuant to this Agreement. Franchisee does acknowledge that the principals of Provider are also the principals of Franchisor.

13. **Confidentiality**.

13.1 General Confidentiality Provisions. **"Confidential Information"** is defined to include all patient medical identification information, financial and tax information, information regarding Medicare claims submission and reimbursement, payor information, information concerning pricing, methods, processes, strategies, plans, business plans and operational plans of either party, which are disclosed to the other party, or to which the other party has access, pursuant to this Agreement. Additionally, the term "Confidential Information" shall include all information related to the software provided to Franchisee by Provider pursuant to this Agreement.

13.2 Confidential Information of Franchisee. During and after the term of this Agreement, Provider shall not disclose any of Franchisee's Confidential Information, unless such disclosure is authorized by Franchisee in writing prior to the disclosure or is otherwise required by law or regulation. Upon termination of this Agreement, Provider shall not take from, or shall return to, Franchisee any and all Confidential Information, or other information of any kind owned by Franchisee. Provider may use the Confidential Information of Franchisee for the purpose of performing its obligations under this Agreement and in connection with the enforcement of this Agreement, provided that the use of any Protected Health Information (as such term is defined by HIPAA) shall be subject at all times to the HIPAA requirements.

13.3 Confidential Information of Provider. During and after the term of this Agreement, Franchisee and Franchisee's employees shall not disclose any of Provider's Confidential Information, unless such disclosure is authorized by Provider in writing prior to the disclosure or is otherwise required by law or regulation. Upon termination of this Agreement, Franchisee shall return to Provider any and all Confidential Information, or other information of any kind pertaining to the business of Provider. Provider shall be entitled to injunctive relief to enforce its rights under this Section 13.3, in addition to any other relief or remedies to which Provider may be entitled.

14. **Responsibility for Personnel**. Personnel supplied by each party hereunder, regardless of location, are that party's employees or agents and shall not hold themselves out as employees or agents of the other party. The party that supplies such personnel shall have direct control over their activities and assumes full responsibility for their acts and for compliance with any applicable employment and tax laws with respect to such employees. All personnel furnished by each party in the performance of work under this Agreement shall at all times be and remain employees of the furnishing party and that party shall be solely responsible for payment of their entire compensation earned in connection with this Agreement, including employment taxes, and expenses and benefits associated with their employment.

15. **Representations and Warranties**. Each party represents and warrants to the other party that: (a) it is duly organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation; (b) it has full corporate power and authority to execute and deliver this Agreement and perform its obligations hereunder and to grant the rights granted and intended to be granted hereunder; (c) this Agreement constitutes a valid and binding agreement enforceable against it in accordance with its terms (except as such enforcement may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, or similar

laws related to or limiting creditors' rights generally or general principles of equity); and (d) the execution and delivery of this Agreement and all other instruments and documents required to be executed pursuant hereto, and the consummation of the transactions contemplated hereby, do not and shall not conflict with or result in a breach of any provision of its organizational documents.

16. **Disclaimers**. NEITHER PARTY MAKES ANY WARRANTY, REPRESENTATION OR PROMISE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. EACH PARTY DISCLAIMS AND EXCLUDES ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE BILLING SERVICES ARE MADE AVAILABLE ON AN "AS IS" BASIS. EXCEPT AS OTHERWISE PROVIDED HEREIN, PROVIDER DOES NOT WARRANT THAT ANY OF THE BILLING SERVICES WILL SATISFY FRANCHISEE'S REQUIREMENTS OR THAT THEY ARE WITHOUT DEFECT OR ERROR OR THAT THE USE THEREOF WILL BE UNINTERRUPTED OR ERROR FREE. THE BILLING SERVICES ARE NO INTENDED FOR USE IN THE DIAGNOSIS, CURE, MITIGATION, TREATMENT, MONITORING, OR PREVENTION OF ANY DISEASE OR OTHER CONDITION OF ANY PATIENT.

17. **Limitation of Liability**. UNDER NO CIRCUMSTANCES WILL PROVIDER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY BILLING SERVICES (REGARDLESS OF THE FORM OF ACTION OR CLAIM INCLUDING, WITHOUT LIMITATION, CONTRACT, WARRANTY, TORT, AND/OR OTHERWISE) EXCEED A LIMIT EQUAL TO THE TOTAL OF ALL PAYMENTS ACTUALLY RECEIVED BY PROVIDER FROM FRANCHISEE UNDER THIS AGREEMENT DURING THE PRECEDING TWELVE (12) MONTH PERIOD; PROVIDED THAT, DURING THE FIRST 12 MONTHS OF THIS AGREEMENT, THE LIMIT SHALL NOT EXCEED THE CONTRACTED AMOUNTS PAYABLE DURING THE INITIAL 12 MONTH PERIOD OF THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL PROVIDER BE LIABLE OR RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, COVER, PUNITIVE OR EXEMPLARY DAMAGES, OR FOR ANY LOSS OF PROFITS, BUSINESS OR REVENUE, LOSS OF USE OF ANY COMPUTER PROGRAMS, LOSS OF DATA, COSTS OF RE-CREATING LOST DATA, THE COST OF ANY SUBSTITUTE EQUIPMENT, DATA, SERVICES OR SOFTWARE, OR CLAIMS BY ANY PERSON OTHER THAN FRANCHISEE, EVEN IF PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING. THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ITS DISCLAIMERS AND LIMITATIONS OF LIABILITY, REPRESENTS A MUTUALLY AGREED UPON ALLOCATION OF RISK AND THE CONSIDERATION GIVEN HAS BEEN SET TO REFLECT SUCH ALLOCATION.

18. **Attorneys' Fees.** In the event either party employs legal counsel to enforce its rights under this Agreement, the prevailing party shall be entitled to reimbursement of all fees and costs, including reasonable attorneys' fees, from the non-prevailing party, whether or not legal action is instituted.

19. **Assignability.** This Agreement is freely assignable by Provider without the written consent of Franchisee. This Agreement may only be assigned by Franchisee with Provider's written permission.

20. **Waiver.** The failure of either party to insist upon any of the terms, covenants or conditions of this Agreement or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition or the future exercise of such right, but the obligation of the other party with respect to such future performance shall continue in full force and effect until it is specifically waived in writing.

21. **Entire Agreement; Binding Effect.** This Agreement constitutes the entire agreement between the parties and shall bind and inure to the benefit of both parties and their respective successors, heirs, and legal representatives.

22. **Applicable Law.** This Agreement and all actions brought under this Agreement shall be construed in accordance with and governed by the internal laws of the State where the Clinic is operated and shall be subject to the arbitration provisions in the Franchise Agreement.

23. **Nondiscrimination**. In the performance of work required by this Agreement both parties agree not to discriminate on the basis of race, color, national origin, sex, age or disability. Both parties agree to indemnify the other against any and all liabilities on account of noncompliance therewith.

24. **Successors and Assigns.** Except as set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

25. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be deemed sufficiently given if personally delivered to the addressee or, if mailed, postage prepaid, to the addressee at his, her or its address as follows:

Provider: 100% Epic, LLC
13 S. Tejon Street, Suite 206
Colorado Springs, Colorado 80903

Franchisee: _____
_____
_____

or to such other address as such addressees from time to time may deliver in writing to the Company for the purpose of notice under this Section 25.

26. **Amendments.** This Agreement shall not be amended, modified, restated or extended except by the written agreement of all parties.

27. **Severability.** If any clause or provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable under applicable present or future

laws effective during the term of this Agreement, then and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected thereby. It is also the intention of the parties that, in lieu of each clause or provision of this Agreement that is so determined to be illegal, invalid or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and yet be legal, valid, and enforceable. Specifically, the parties both agree to amend the provisions of this Agreement as necessary to avoid the terms and conditions of this Agreement constituting a franchise.

28. **Default.** In the event that Franchisee defaults in the payment of Provider's compensation under this Agreement, in addition to Provider's right to sue for said compensation and to obtain its costs including attorney's fees as outlined herein, Provider shall be entitled to immediately stop (without penalty) all of its services provided for herein. Finally, Provider shall have all remedies at law or in equity to enforce the provisions of this Section 28, including the obtaining of temporary and permanent injunctions to require Franchisee to comply with its obligations herein.

29. **Article Captions and Sub-captions.** The articles, captions, and sub-captions herein are for the convenience of reference and shall not be deemed to affect or alter any provision herein.

30. **Force Majeure**. No failure, delay, or default in performance of any obligation under this Agreement (other than payment obligations) will constitute a breach of this Agreement if it is caused by strike, fire, shortage of materials, act of a public authority, civil disorder, riot, vandalism, war, severe weather, natural disaster, epidemic/pandemic or other act of God, terrorism, or other cause that is beyond the reasonable control of the party otherwise chargeable, for so long as such cause continues and for a reasonable period of time thereafter.

31. **Counterparts**. This Agreement may be executed in two or more counterparts, all of which shall constitute one and the same agreement, with one counterpart being delivered to each party.

32. **Venue.** Venue for any litigation or arbitration concerning this Agreement shall be in Scottsdale, Arizona.

33. **Cross Default.** The parties to this Agreement agree that any default under this Agreement shall be a default under the Franchise Agreement, particularly Section 15 of that Franchise Agreement, entitling Franchisor to terminate the Franchise Agreement with Franchisee.

34. **Third-Party Beneficiary.** Franchisor is a third-party beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Billing Agreement as of the Effective Date set forth above.

"PROVIDER"	**"FRANCHISEE"**
100% EPIC, LLC, **a Colorado limited liability company**	_____ _____
By:_____ Jason Helfrich, D.C., Manager	By:_____

Exhibit A

Business Associate Agreement

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "**Agreement**") dated _____, 20_____ ("**Effective Date**") by and between franchisee _____, ("**Covered Entity**") and 100% EPIC, LLC, a Colorado limited liability company (**"Business Associate"**), is entered into in relation to the Billing Agreement between Covered Entity and Business Associate and is for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**).

I. **Definitions.** For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

A. **"Protected Health Information"** shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

B. **"Required by Law"** shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. "Required by Law" includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

II. **Permitted Uses and Disclosures.** Business Associate may use or disclose Protected Health Information received or created by Business Associate pursuant to the Agreement solely for the following purposes:

A. Business Associate may use or disclose Protected Health Information as necessary to carry out Business Associate's responsibilities and duties under the Billing Agreement.

B. Business Associate may use or disclose Protected Health Information for Business Associate's proper management and administration or to fulfill any present or future legal responsibilities of Business Associate; provided, however, that if Business Associate discloses Protected Health Information to a third party under this Section II.B, Business Associate shall (i) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

C. Business Associate may use or disclose protected Information as Required by Law.

D. Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

III. **Disclosure to Agent.** In the event Business Associate disclosed to any agent, including a sub-Contractor, Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity, Business Associate shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Business Associate under this Agreement.

IV. **Safeguards.** Business Associate shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Business Associate's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Business Associate shall maintain a written security program describing such safeguards, a copy of which shall be available to the Business Associate upon request.

V. **Reporting of Improper Disclosures.** Business Associate shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Business Associate becomes aware of such use or disclosure.

VI. **Reporting of Security Incidents.** Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware. For purposes of this Agreement, "**Security Incident**" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Business Associate shall not have any obligation to notify Covered Entity of any unsuccessful attempts to (i) obtain unauthorized access to Business Associate's information in Business Associate's possession, or (ii) interfere with Business Associate's system operations in an information system, where such unsuccessful attempts are

extremely numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

VII. **Breaches of Unsecured PHI**. Business Associate shall report in writing to Covered Entity any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Regulations, 45 C.F.R. §164.400 et seq. (each a "**HIPAA Breach**"), within five (5) business days of the date of Business Associate's Discovery and shall provide Covered Entity with all information required by 45 C.F.R. §164. Business Associate shall provide such information to Covered Entity in the manner required by the Breach Notification Regulations, and as promptly as is possible. Following any Breach of Unsecured Protected Health Information, Business Associate shall: (i) have a continuing duty to inform Covered Entity of any new information learned by Business Associate regarding the Breach of Unsecured Protected Health Information; [and (ii) pay reasonable costs for notification and any associated mitigation incurred by Covered Entity, including but not limited to, costs associated with providing notice, printing, mailing, credit monitoring, identity theft protection, call center services, etc.] For purposes of this Section VII, the term "Discovery" shall mean the first day on which a HIPAA Breach is known to Business Associate (including any person, other than the individual committing the breach, that is an employee, officer, or other agent of Business Associate), or should reasonably have been known to Business Associate, to have occurred.

VIII. **Mitigation.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

IX. **Access to protected health information by the Business Associate**

A. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all Protected Health Information in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

B. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all information and records in Business Associate's possession necessary for the Covered Entity to respond to patients or their representatives who seek an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

C. Within ten (10) days of a request by the Business Associate, Business Associate shall provide to the Covered Entity all protected Health Information in Business Associate's possession necessary for the Business Associate to assist Covered Entity in responding to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's direction, Business Associate shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Business Associate.

X. **Access of HHS.** Business Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the

Covered Entity or created or received by Business Associate on behalf of the Covered Entity, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

XI. **Term and Termination**. This Agreement shall be effective as of the Effective Date and shall be terminated concurrently with the termination of the Billing Agreement, or as otherwise provided in this Agreement.

XII. **Return of Protected Health Information Upon Termination.** Upon termination of the Agreement, Business Associate shall: (a) if feasible, return or destroy all Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of, the Covered Entity that Business Associate still maintains in any form, and Business Associate shall retain no copies of such information; or (b) if Business Associate reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

XIII. **Obligations of Covered Entity**

A. Upon request of Business Associate, Covered Entity shall provide Business Associate with the notice of privacy practices that the Business Associate produces in accordance with 45 CFR §164.520.

B. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

C. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information to which Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

XIV. **Amendment.** If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Covered Entity may, on thirty (30) days written notice to Business Associate, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

XV. **Conflicting Terms.** In the event any terms of this Agreement conflict with any terms of the Billing Agreement, the terms of this Agreement shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Business Associate Agreement as of the Effective Date set forth above.

"COVERED ENTITY"	**"BUSINESS ASSOCIATE"**
_____,	100% EPIC, LLC
By:_____	By: _____
Printed Name, Title	Jason Helfrich, D.C., Manager

EXHIBIT 4(2)

BILLING AGREEMENT for Management Company Franchisees

This Billing Agreement (**the "Agreement"**) is made and entered into by and between _____, (**"Franchisee"**), and 100% EPIC, LLC, a Colorado limited liability company and/or its assigns (**"Provider"**) to be effective commencing the ____ day of _____, 20___ (**"Effective Date"**). Capitalized terms used but not otherwise defined herein shall have the respective meanings given such terms in the Franchise Agreement (as defined below).

WHEREAS, Franchisee provides administrative and management services for a chiropractic medical practice at the following location(s) _____ (collectively, the **"Clinic"**);

WHEREAS, the Clinic is owned by a separate chiropractic professional corporation that provides chiropractic medical services to individuals, including pursuant to contracts with private and governmental payors;

WHEREAS, the parties agree that it is to their mutual advantage that Provider should provide bookkeeping and billing services on behalf of the Clinic's healthcare providers for services provided to patients participating in commercial insurance plans and Medicare or other government programs, to facilitate the operation of the Clinic;

WHEREAS, the parties intend that this Agreement shall supersede all prior agreements between them, whether oral or written, pertaining to billing services.

NOW THEREFORE, in consideration of the promises, covenants and conditions herein contained, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and incorporating the recitals above, the parties agree as follows:

1. **Appointment.** Franchisee hereby appoints Provider to provide bookkeeping and billing services to the Clinic in accordance with all the terms, conditions, and provisions set forth below.

2. **Duration.** Unless earlier terminated as set forth below, this Agreement shall have a duration the same as that certain Franchise Agreement by and between TACTIC Franchising, LLC, a Delaware limited liability company (**"Franchisor"**), and Franchisee, entered into as of the Effective Date (the **"Franchise Agreement**").

3. **Provider Responsibilities, Duties, Authority.** Provider agrees to provide bookkeeping and billing services. Provider shall provide, on behalf of the Clinic, central billing and posting of insurance (**"Billing Services"**). Provider will assist the Clinic in obtaining in-network status, if possible, when requested by the Franchisee. Provider makes no guarantee of the Clinic obtaining in-network status as such status is subject to the approval of each insurance company which is outside the control of Provider.

4. **Franchisee Responsibilities, Duties, Authority**. Franchisee will make available to Provider patient medical records, insurance records, and related files via a facilitating platform such as Chiro HD Software (or any other computer system utilized by Franchisee). Franchisee shall cooperate with Provider in any reasonable manner to effectuate an efficient billing process.

5. **Compensation.** Provider shall be entitled to receive as compensation a fee equal to ten percent (10%) of the collected revenues (**"Billing Fee"**) of the Clinic and any related Clinics operated by Franchisee for all professional services (**"Clinic Professional Services"**) billed to third-party payors (such as health insurance, workers' compensation, casualty insurance, monies received from attorneys, lien holders, or patients should they receive settlement funds and pay the office personally), including chiropractic medical services, massage services, acupuncture services and other services. The Billing Fee shall be assessed against both payments received from third-party payors and deductibles paid by patients. The Billing Fee shall not be assessed against patient co-insurance, cost-sharing or co-pays in excess of applicable deductibles. The payment of any compensation pursuant to this Section 5 shall be made by electronic bank transfer. In other words, the Billing Fee will be deducted from payments deposited into Franchisee's bank account. Provider will not charge for the services to complete the necessary credentials for the initial doctor retained by the Franchisee or Professional Corporation, but there will be a charge of $750 for the next doctor and additional doctors that need this service. Franchisee shall provide such bank authorizations on Franchisee's bank account or other documentation required for Provider to effectuate the transactions contemplated by this Section 5.

6. **HIPAA Compliance.** As required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 (**"HIPAA"**), the parties shall comply with the terms of the Subcontractor Business Associate Agreement attached as **Exhibit A** to this Agreement. Further, Provider represents and warrants that the software it uses in connection with the Billing Services hereunder will be in compliance with the electronic data interchange formats required by HIPAA. Franchisee represents and warrants that all information transmitted, and to be transmitted under this Agreement, by Franchisee to Provider, electronically or otherwise, will comply with applicable federal and state patient privacy and confidentiality laws and regulations and HIPAA.

7. **Payor Agreements**. Franchisee will and will require Clinic to comply with the terms and conditions of all agreements between Clinic and payors for health care services (**"Payor Agreements"**), including with both private and governmental payors, which terms and conditions are applicable to services performed by or supervised by Clinic, and will cooperate with Provider and assist Provider in its compliance with other terms and conditions of all Payor Agreements. Franchisee shall and shall require Clinic to fully and accurately complete applications and statements required under Payor Agreements and shall notify Provider immediately of changes in the information contained in all Clinic applications and statements submitted by Franchisee or Clinic with respect to Payor Agreements or otherwise to Provider.

8. **Compliance with Billing Rules**

8.1 Assigning Billing and Procedure Codes. Franchisee shall be responsible for providing Provider with appropriate CPT and ICD10 billing codes associated with Clinic Professional Services. Franchisee shall be responsible for ensuring that all billing codes provided

to Provider accurately reflect the services performed and condition of the patient and are supported by appropriate documentation, including by recording appropriate descriptions and notations to accurately reflect the services provided in accordance with third party payor, including Medicare, requirements.

8.2 Coding Errors. Franchisee shall be solely responsible for errors or liabilities, if any, which may arise from Franchisee's provision of inaccurate information, designation of inappropriate procedure or diagnosis codes, or failure to prepare necessary documentation corresponding to the services rendered.

8.3 Responsibility For Submitting Bills For Reimbursement. Provider shall be responsible for billing Clinic Professional Services based on the CPT and ICD10 codes provided by Franchisee in accordance with the applicable laws and regulations. In the event that billing personnel of Provider notice errors or discrepancies in codes or other information provided by Franchisee, Provider shall not bill for such service, and shall instead request clarification or correction from Franchisee. Provider shall submit claims, electronically, if possible, on a timely basis after receipt of complete and accurate billing information from Franchisee.

8.4 Provider Emphasis on Accurate Coding. Provision of accurate and appropriate data shall be the responsibility of Franchisee. Data and coding may be evaluated and reviewed periodically for compliance by Provider.

8.5 Compliance with Law.

(a) The parties agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to conduct their respective activities hereunder in material compliance with all federal, state and local laws governing each party's obligations hereunder.

(b) Such compliance includes the federal and state laws regarding, to the extent applicable to each party's obligations under this Agreement: the documentation and billing of services to third party payors or, if appropriate, patients, and receipt of payment therefor; all Medicare and Medicaid requirements; medical record retention; the prohibitions against unprofessional conduct, including fee-splitting; patient confidentiality and informed consent; the hiring of employees or acquisition of services or supplies from persons excluded from participation in government healthcare programs; 42 U.S.C. § 1320a-7b(b) (commonly known as the Anti-Kickback Statute) and the applicable safe harbor regulations; 42 U.S.C. § 1395nn (commonly known as the Stark Law) and the applicable regulations; and all other applicable state and federal anti-kickback and self-referral laws, each as amended from time to time.

(c) The parties acknowledge that although Provider is obligated to provide the Billing Services as specified in this Agreement, there is no obligation of Provider to refer patients or other healthcare items or services to Clinic or any affiliate of Clinic, and there is no obligation of Clinic to refer patients or other healthcare items or services to any affiliate of Provider. Furthermore, the parties agree that the amounts payable hereunder represent fair market value compensation for the Billing Services provided and have not been determined on the basis of volume or value of any referrals or other business generated between the parties.

9. **Dispute Resolution: Mediation & Arbitration**.

9.1 Mediation. If a dispute arises out of or relates to this Agreement, or the alleged breach thereof, and if the dispute is not settled through negotiation within twenty (20) days after the date the Mediation Notice is provided, the parties agree first to try in good faith to settle the dispute by mediation within thirty (30) days of the notice from the party seeking to initiate the mediation procedures before resorting to arbitration, litigation, or some other dispute resolution procedure. Mediation will be conducted in Scottsdale, Arizona. In the event that parties are unable to agree on a mediator, a mediator shall be appointed by the named administrator. The process, including all information learned, shall be confidential unless the party from which the information was obtained specifically authorizes disclosure. The parties shall equally share the fees and expenses of the mediator.

9.2 Arbitration. If a dispute arises out of or relates to this Agreement, or the alleged breached thereof and if the dispute is not settled through negotiation or mediation as set forth in Section 9.1, the parties agree such dispute shall be submitted to binding arbitration to an arbitration group of Franchisor's sole discretion. Such arbitration proceedings shall be conducted in Scottsdale, Arizona, and in accordance with the then current commercial arbitration rules of the selected arbitration group. In the event that parties are unable to agree on an arbitrator, an arbitrator shall be appointed by the American Arbitration Association and its commercial rules shall apply. The award and decision of the arbitrator shall be conclusive and binding on all parties to this Agreement.

10. **Indemnification.** Franchisee shall and does hereby indemnify, defend and hold Provider harmless from and against any and all claims, losses, liabilities, suits, demands, damages, judgments, and causes of action of any nature whatsoever relating directly or indirectly to the operation of its practice. Franchisee further acknowledges and agrees that Provider has no liability for amounts and services billed which is under the sole control of Franchisee, including but not limited to, patient care, diagnosis and treatment.

11. **Non-exclusivity of Services.** Nothing in the relationship between Franchisee and Provider, whether embodied in this Agreement or otherwise, shall require Provider to provide services exclusively for Clinic. Franchisee acknowledges that Provider may, and shall, accept work from other entities and individuals who retain Provider for the services that Provider provides.

12. **Independence of Operations.** In performing their duties under this Agreement, the parties are each acting as independent contractors and shall have the exclusive control of the manner and means of performing their respective obligations arising under this Agreement. Franchisee and Provider both acknowledge and agree that neither has any ownership, management, or other interest in or relationship with each other (including, but not limited to, any joint venture, partnership, franchise, or employment) than the relationship established pursuant to this Agreement. Franchisee does acknowledge that the principals of Provider are also the principals of Franchisor.

13. **Confidentiality**.

13.1 General Confidentiality Provisions. **"Confidential Information"** is defined to include all patient medical identification information, financial and tax information, information regarding Medicare claims submission and reimbursement, payor information, information concerning pricing, methods, processes, strategies, plans, business plans and operational plans of either party, which are disclosed to the other party, or to which the other party has access, pursuant to this Agreement. Additionally, the term "Confidential Information" shall include all information related to the software provided to Franchisee by Provider pursuant to this Agreement.

13.2 Confidential Information of Franchisee. During and after the term of this Agreement, Provider shall not disclose any of Franchisee's Confidential Information, unless such disclosure is authorized by Franchisee in writing prior to the disclosure or is otherwise required by law or regulation. Upon termination of this Agreement, Provider shall not take from, or shall return to, Franchisee any and all Confidential Information, or other information of any kind owned by Franchisee. Provider may use the Confidential Information of Franchisee for the purpose of performing its obligations under this Agreement and in connection with the enforcement of this Agreement, provided that the use of any Protected Health Information (as such term is defined by HIPAA) shall be subject at all times to the HIPAA requirements.

13.3 Confidential Information of Provider. During and after the term of this Agreement, Franchisee and Franchisee's employees shall not disclose any of Provider's Confidential Information, unless such disclosure is authorized by Provider in writing prior to the disclosure or is otherwise required by law or regulation. Upon termination of this Agreement, Franchisee shall return to Provider any and all Confidential Information, or other information of any kind pertaining to the business of Provider. Provider shall be entitled to injunctive relief to enforce its rights under this Section 13.3, in addition to any other relief or remedies to which Provider may be entitled.

14. **Responsibility for Personnel**. Personnel supplied by each party hereunder, regardless of location, are that party's employees or agents and shall not hold themselves out as employees or agents of the other party. The party that supplies such personnel shall have direct control over their activities and assumes full responsibility for their acts and for compliance with any applicable employment and tax laws with respect to such employees. All personnel furnished by each party in the performance of work under this Agreement shall at all times be and remain employees of the furnishing party and that party shall be solely responsible for payment of their entire compensation earned in connection with this Agreement, including employment taxes, and expenses and benefits associated with their employment.

15. **Representations and Warranties**. Each party represents and warrants to the other party that: (a) it is duly organized and validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation; (b) it has full corporate power and authority to execute and deliver this Agreement and perform its obligations hereunder and to grant the rights granted and intended to be granted hereunder; (c) this Agreement constitutes a valid and binding agreement enforceable against it in accordance with its terms (except as such enforcement may be limited by applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, or similar

laws related to or limiting creditors' rights generally or general principles of equity); and (d) the execution and delivery of this Agreement and all other instruments and documents required to be executed pursuant hereto, and the consummation of the transactions contemplated hereby, do not and shall not conflict with or result in a breach of any provision of its organizational documents.

16. **Disclaimers**. NEITHER PARTY MAKES ANY WARRANTY, REPRESENTATION OR PROMISE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. EACH PARTY DISCLAIMS AND EXCLUDES ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS OTHERWISE PROVIDED HEREIN, THE BILLING SERVICES ARE MADE AVAILABLE ON AN "AS IS" BASIS. EXCEPT AS OTHERWISE PROVIDED HEREIN, PROVIDER DOES NOT WARRANT THAT ANY OF THE BILLING SERVICES WILL SATISFY FRANCHISEE'S REQUIREMENTS OR THAT THEY ARE WITHOUT DEFECT OR ERROR OR THAT THE USE THEREOF WILL BE UNINTERRUPTED OR ERROR FREE. THE BILLING SERVICES ARE NO INTENDED FOR USE IN THE DIAGNOSIS, CURE, MITIGATION, TREATMENT, MONITORING, OR PREVENTION OF ANY DISEASE OR OTHER CONDITION OF ANY PATIENT.

17. **Limitation of Liability**. UNDER NO CIRCUMSTANCES WILL PROVIDER'S AGGREGATE LIABILITY ARISING FROM OR RELATING TO THIS AGREEMENT OR ANY BILLING SERVICES (REGARDLESS OF THE FORM OF ACTION OR CLAIM INCLUDING, WITHOUT LIMITATION, CONTRACT, WARRANTY, TORT, AND/OR OTHERWISE) EXCEED A LIMIT EQUAL TO THE TOTAL OF ALL PAYMENTS ACTUALLY RECEIVED BY PROVIDER FROM FRANCHISEE UNDER THIS AGREEMENT DURING THE PRECEDING TWELVE (12) MONTH PERIOD; PROVIDED THAT, DURING THE FIRST 12 MONTHS OF THIS AGREEMENT, THE LIMIT SHALL NOT EXCEED THE CONTRACTED AMOUNTS PAYABLE DURING THE INITIAL 12 MONTH PERIOD OF THIS AGREEMENT. UNDER NO CIRCUMSTANCES WILL PROVIDER BE LIABLE OR RESPONSIBLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL, INDIRECT, COVER, PUNITIVE OR EXEMPLARY DAMAGES, OR FOR ANY LOSS OF PROFITS, BUSINESS OR REVENUE, LOSS OF USE OF ANY COMPUTER PROGRAMS, LOSS OF DATA, COSTS OF RE-CREATING LOST DATA, THE COST OF ANY SUBSTITUTE EQUIPMENT, DATA, SERVICES OR SOFTWARE, OR CLAIMS BY ANY PERSON OTHER THAN FRANCHISEE, EVEN IF PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING. THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ITS DISCLAIMERS AND LIMITATIONS OF LIABILITY, REPRESENTS A MUTUALLY AGREED UPON ALLOCATION OF RISK AND THE CONSIDERATION GIVEN HAS BEEN SET TO REFLECT SUCH ALLOCATION.

18. **Attorneys' Fees.** In the event either party employs legal counsel to enforce its rights under this Agreement, the prevailing party shall be entitled to reimbursement of all fees and costs, including reasonable attorneys' fees, from the non-prevailing party, whether or not legal action is instituted.

19. **Assignability.** This Agreement is freely assignable by Provider without the written consent of Franchisee. This Agreement may only be assigned by Franchisee with Provider's written permission.

20. **Waiver.** The failure of either party to insist upon any of the terms, covenants or conditions of this Agreement or to exercise any right hereunder shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition or the future exercise of such right, but the obligation of the other party with respect to such future performance shall continue in full force and effect until it is specifically waived in writing.

21. **Entire Agreement; Binding Effect.** This Agreement constitutes the entire agreement between the parties and shall bind and inure to the benefit of both parties and their respective successors, heirs, and legal representatives.

22. **Applicable Law.** This Agreement and all actions brought under this Agreement shall be construed in accordance with and governed by the internal laws of the State where the Clinic is operated and shall be subject to the arbitration provisions in the Franchise Agreement.

23. **Nondiscrimination**. In the performance of work required by this Agreement both parties agree not to discriminate on the basis of race, color, national origin, sex, age or disability. Both parties agree to indemnify the other against any and all liabilities on account of noncompliance therewith.

24. **Successors and Assigns.** Except as set forth herein, this Agreement shall be binding upon and shall inure to the benefit of the heirs, personal representatives, successors and assigns of the parties hereto.

25. **Notices.** All notices and other communications under this Agreement shall be in writing and shall be deemed sufficiently given if personally delivered to the addressee or, if mailed, postage prepaid, to the addressee at his, her or its address as follows:

Provider: 100% Epic, LLC
13 S. Tejon Street, Suite 206
Colorado Springs, Colorado 80903

Franchisee: _____
_____
_____

or to such other address as such addressees from time to time may deliver in writing to the Company for the purpose of notice under this Section 25.

26. **Amendments.** This Agreement shall not be amended, modified, restated or extended except by the written agreement of all parties.

27. **Severability.** If any clause or provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid, or unenforceable under applicable present or future

laws effective during the term of this Agreement, then and in that event, it is the intention of the parties that the remainder of this Agreement shall not be affected thereby. It is also the intention of the parties that, in lieu of each clause or provision of this Agreement that is so determined to be illegal, invalid or unenforceable, there be added as a part of this Agreement a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and yet be legal, valid, and enforceable. Specifically, the parties both agree to amend the provisions of this Agreement as necessary to avoid the terms and conditions of this Agreement constituting a franchise.

28. **Default.** In the event that Franchisee defaults in the payment of Provider's compensation under this Agreement, in addition to Provider's right to sue for said compensation and to obtain its costs including attorney's fees as outlined herein, Provider shall be entitled to immediately stop (without penalty) all of its services provided for herein. Finally, Provider shall have all remedies at law or in equity to enforce the provisions of this Section 28, including the obtaining of temporary and permanent injunctions to require Franchisee to comply with its obligations herein.

29. **Article Captions and Sub-captions.** The articles, captions, and sub-captions herein are for the convenience of reference and shall not be deemed to affect or alter any provision herein.

30. **Force Majeure**. No failure, delay, or default in performance of any obligation under this Agreement (other than payment obligations) will constitute a breach of this Agreement if it is caused by strike, fire, shortage of materials, act of a public authority, civil disorder, riot, vandalism, war, severe weather, natural disaster, epidemic/pandemic or other act of God, terrorism, or other cause that is beyond the reasonable control of the party otherwise chargeable, for so long as such cause continues and for a reasonable period of time thereafter.

31. **Counterparts**. This Agreement may be executed in two or more counterparts, all of which shall constitute one and the same agreement, with one counterpart being delivered to each party.

32. **Venue.** Venue for any litigation or arbitration concerning this Agreement shall be in Scottsdale, Arizona.

33. **Cross Default.** The parties to this Agreement agree that any default under this Agreement shall be a default under the Franchise Agreement, particularly Section 15 of that Franchise Agreement, entitling Franchisor to terminate the Franchise Agreement with Franchisee.

34. **Third-Party Beneficiary.** Franchisor is a third-party beneficiary of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Billing Agreement as of the Effective Date set forth above.

"PROVIDER"	**"FRANCHISEE"**
100% EPIC, LLC, **a Colorado limited liability company**	_____ _____
By:_____ Jason Helfrich, D.C., Manager	By:_____

Exhibit A

Subcontractor Business Associate Agreement

SUBCONTRACTOR BUSINESS ASSOCIATE AGREEMENT

THIS SUBCONTRACTOR BUSINESS ASSOCIATE AGREEMENT (the "**Agreement**") dated _____, 20_____ ("**Effective Date**") by and between franchisee _____, ("**Business Associate**") and 100% EPIC, LLC, a Colorado limited liability company (**"Subcontractor"**), is entered into in relation to the Billing Agreement between Business Associate and Subcontractor and is for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**). Business Associate has a separate Business Associate Agreement with _____, a [State] [professional corporation/professional service corporation] ("**Covered Entity**") pursuant to which the Protected Health Information of patients treated by Covered Entity are shared with Business Associate to facilitate Business Associate providing management services to Covered Entity.

I. **Definitions.** For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

A. **"Protected Health Information"** shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

B. **"Required by Law"** shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. "Required by Law" includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

II. **Permitted Uses and Disclosures.** Subcontractor may use or disclose Protected Health Information received or created by Subcontractor pursuant to the Agreement solely for the following purposes:

A. Subcontractor may use or disclose Protected Health Information as necessary to carry out Subcontractor's responsibilities and duties under the Billing Agreement.

B. Subcontractor may use or disclose Protected Health Information for Subcontractor's proper management and administration or to fulfill any present or future legal responsibilities of Subcontractor; provided, however, that if Subcontractor discloses Protected Health Information to a third party under this Section II.B, Subcontractor shall (i) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Subcontractor of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

C. Subcontractor may use or disclose protected Information as Required by Law.

D. Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

III. **Disclosure to Agent.** In the event Subcontractor disclosed to any agent, including a sub-subcontractor, Protected Health Information received from, or created or received by Subcontractor on behalf of, the Business Associate, Subcontractor shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Subcontractor under this Agreement.

IV. **Safeguards.** Subcontractor shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Subcontractor's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Subcontractor shall maintain a written security program describing such safeguards, a copy of which shall be available to the Business Associate upon request.

V. **Reporting of Improper Disclosures.** Subcontractor shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Subcontractor becomes aware of such use or disclosure.

VI. **Reporting of Security Incidents.** Subcontractor shall report to the Business Associate any Security Incident of which it becomes aware. For purposes of this Agreement, "**Security Incident**" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Subcontractor shall not have any obligation to notify Business Associate of any unsuccessful attempts to (i) obtain unauthorized access to Business Associate's information in Subcontractor's possession, or (ii) interfere with Subcontractor's system operations in an information system, where such unsuccessful attempts are extremely

numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

VII. **Breaches of Unsecured PHI**. Subcontractor shall report in writing to Business Associate any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Regulations, 45 C.F.R. §164.400 et seq. (each a "**HIPAA Breach**"), within five (5) business days of the date of Subcontractor's Discovery and shall provide Business Associate with all information required by 45 C.F.R. §164. Subcontractor shall provide such information to Business Associate in the manner required by the Breach Notification Regulations, and as promptly as is possible. Following any Breach of Unsecured Protected Health Information, Subcontractor shall: (i) have a continuing duty to inform Business Associate of any new information learned by Subcontractor regarding the Breach of Unsecured Protected Health Information; [and (ii) pay reasonable costs for notification and any associated mitigation incurred by Business Associate or the applicable Covered Entity, including but not limited to, costs associated with providing notice, printing, mailing, credit monitoring, identity theft protection, call center services, etc.] For purposes of this Section VII, the term "Discovery" shall mean the first day on which a HIPAA Breach is known to Subcontractor (including any person, other than the individual committing the breach, that is an employee, officer, or other agent of Subcontractor), or should reasonably have been known to Subcontractor, to have occurred.

VIII. **Mitigation.** Subcontractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Subcontractor of a use or disclosure of Protected Health Information by Subcontractor in violation of the requirements of this Agreement.

IX. **Access to protected health information by the Business Associate**

A. Within ten (10) days of a request by the Business Associate, Subcontractor shall provide to the Business Associate all Protected Health Information in Subcontractor's possession necessary for the Business Associate to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

B. Within ten (10) days of a request by the Business Associate, Subcontractor shall provide to the Business Associate all information and records in Subcontractor's possession necessary for the Subcontractor to provide to Covered Entity in order for Covered Entity to respond to patients or their representatives who seek an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

C. Within ten (10) days of a request by the Business Associate, Subcontractor shall provide to the Business Associate all protected Health Information in Subcontractor's possession necessary for the Business Associate to assist Covered Entity in responding to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's or Business Associate's direction, Subcontractor shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Subcontractor.

X. **Access of HHS.** Subcontractor shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Business Associate or created or received by Subcontractor on behalf of the Business Associate, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

XI. **Term and Termination**. This Agreement shall be effective as of the Effective Date and shall be terminated concurrently with the termination of the Billing Agreement, or as otherwise provided in this Agreement.

XII. **Return of Protected Health Information Upon Termination.** Upon termination of the Agreement, Subcontractor shall: (a) if feasible, return or destroy all Protected Health Information received from the Business Associate, or created or received by Subcontractor on behalf of, the Business Associate that Subcontractor still maintains in any form, and Subcontractor shall retain no copies of such information; or (b) if Subcontractor reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

XIII. **Obligations of Business Associate**

A. Upon request of Subcontractor, Business Associate shall provide Subcontractor with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR §164.520.

B. Business Associate shall provide Subcontractor with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Subcontractor's permitted or required uses and disclosures.

C. Business Associate shall notify Subcontractor of any restriction on the use or disclosure of Protected Health Information to which Business Associate or Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Subcontractor's use or disclosure of PHI.

XIV. **Amendment.** If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Business Associate may, on thirty (30) days written notice to Subcontractor, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

XV. **Conflicting Terms.** In the event any terms of this Agreement conflict with any terms of the Billing Agreement, the terms of this Agreement shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Subcontractor Business Associate Agreement as of the Effective Date set forth above.

"BUSINESS ASSOCIATE"	**"SUBCONTRACTOR"**
_____,	100% EPIC, LLC
By:_____	By: _____
Printed Name, Title	Jason Helfrich, D.C., Manager

EXHIBIT 5

OWNERSHIP INTERESTS IN FRANCHISE OWNER

1. Full name and address of the owners of, and a description of the type of, all currently held Interests in Franchise Owner:

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

2. Minimum individual and aggregate Principal Owner ownership percentage required at all times during the term of this Agreement:

2.1 During the term of this Agreement, the Principal Owners together must have a "controlling interest" of no less than 75% of the equity, voting control and profits in the Franchise Owner.

2.2 Unless otherwise permitted, the required minimum "ownership interest" of each Principal Owner during the term of this Agreement is:

Name	**Ownership Percentage**

EXHIBIT C-1

SAMPLE FORM OF PROMISSORY NOTE FOR IFF FINANCE PROGRAM

PROMISSORY NOTE

U.S. $300,000.00 _____(City, State)

Date: _____, 20___

FOR VALUE RECEIVED, the undersigned maker of this Promissory Note, _____, a _____ (**"Maker"**), promises to pay to the order of TACTIC Franchising, LLC (**"Holder"**), at 20551 N Pima Rd., Suite 100, Scottsdale, AZ 85255, the principal sum of Three Hundred Thousand and No/100 Dollars ($300,000.00), in the currency of the United States of America, with interest to accrue at Twelve percent (12%) per annum, compounded monthly for the duration of the Promissory Note, starting from the opening to the public for business of the franchise location that will be owned and operated by Maker (the **"Opening"**).

1. The Promissory Note shall have no payment of principal and interest for the first six (6) month after the Opening, and interest will accrue for the 2nd month through the 6th month after Opening.

2. The principal and accrued Interest at the end of Six (6) months after the Opening will be Three Hundred Twelve Thousand, Seven Hundred and Ten and 08/100 U.S. Dollars ($315,303.02) (the **"Capitalized Amount"**).

3. At the beginning of the seventh (7) month after the Opening, monthly payments of interest only on the Capitalized Amount, with interest compounded monthly, shall be due in the amount of Three Thousand, One Hundred and Fifty-three and 03/100 U.S. Dollars ($3,153.03), and shall continue monthly through the Thirtieth (30th) month after the Opening.

4. On the Thirty-first (31st) month after the Opening, monthly payments of both principal and interest, with interest compounded monthly, will be due over a Seven (7) year period in the amount of Five Thousand, Five Hundred Sixty-five and 96/100 U.S. Dollars ($5,565.96) per month (a 9.5-year note).

5. At the end of all of the periods in Sections 1 through 4 above, the entire outstanding balance, if not sooner paid, shall be due and payable in full. Notwithstanding any other provision in this Note, Holder may, on 90 days written notice to Maker, require that the remaining principal balance and accrued interest be all due and payable on or after the 7the year of the Note.

6. Any payment is late if not received by Holder within Ten (10) days after it is due. If payment is late, Holder may, in its sole discretion elect to:

(a) Declare the entire unpaid balance immediately due and payable; or

(b) Accept the late payment along with a late charge in the amount of the higher of $50 per day if it is late after the 10-day period or Twelve percent (12%) of the amount of the late payment.

Such late charge shall be for the purpose of compensating Holder for additional expenses which it is recognized Holder will incur because of the late payment.

7. If a payment is late (or Holder calls the Note due and payable as set forth in Section 5 above) and Holder elects to declare the entire unpaid balance due and payable, Holder shall first provide Maker(s) with written notice of its election, demanding payment in full within Ten (10) days of delivery of this notice. In the event a default exists after the Ten (10) day notice period has expired, Maker(s) promises and agrees:

(a) That the entire outstanding balance, in addition to any late charges, shall bear interest from the original due date of the delinquent payment at the rate of eighteen percent (18%) per year or, if such rate exceeds the highest rate permitted under applicable law, then at the highest rate legally permitted; and

(b) To pay Holder's reasonable attorneys' fees and costs incurred as a result of the default.

8. All payments, as of the date of receipt, shall first be credited to any late charges due; the balance, if any, shall next be credited to the outstanding balance due.

9. This Promissory Note constitutes part performance of the Franchise Agreement between Maker and Holder and/or their Affiliates or Owners dated _____, 20_____ (the **"Franchise Agreement"**), and as such, shall be read and interpreted in a manner consistent with the terms of the Franchise Agreement which provides that a default under the terms of this Promissory Note shall be grounds for termination of the Franchise Agreement. Accordingly, Holder may, in addition to the collection provisions of paragraphs 6 and 7 above, terminate the Franchise Agreement under the provisions of Section 15 of the Franchise Agreement.

10. The Maker(s) and endorser(s) of this Promissory Note waive and excuse presentment for acceptance and payment, notice of dishonor, and protest of dishonor, and agree to any extension of time of payment and partial payments before, at, or after maturity.

11. In the event of any sale, transfer, assignment, encumbrance or other conveyance of the rights, duties or obligations of Maker(s) under the terms of the Franchise Agreement, the entire unpaid balance of this Promissory Note as of the date of such sale, transfer, assignment, encumbrance or other conveyance shall immediately become due and payable in full without any further notice or demand.

12. If the Franchise Agreement is terminated pursuant to Section 15 therein, then this Promissory Note shall immediately become due and payable, without notice, together with reasonable attorneys' fees if the collection is placed in the hands of an attorney to obtain or enforce payment.

13. This Promissory Note shall be construed and enforced in accordance with the laws of the State of Arizona and any hearing held in Scottsdale, Arizona.

14. Maker may prepay the amount outstanding under this Promissory Note, in whole or in part, at any time without penalty, but prepayment will not reduce the monthly payments due under this Promissory Note until it is paid in full.

15. This Promissory Note is freely assignable by Holder without the prior written consent of Holder.

16. Maker agrees to reimburse Holder for all expenditures it incurs in attempting to collect any amounts due under this Promissory Note. If Holder takes legal action to enforce or collect this Promissory Note, it will be entitled to reasonable attorneys' fees, court costs and any other costs it incurs, as well as any additional relief to which it may be entitled.

17. Capitalized terms used but not otherwise defined herein shall have the meanings provided in the Franchise Agreement.

18. The indebtedness evidenced by this Note is secured by, but not limited to, the following documents:

(a) Attachment 1--Personal Guarantee as set in the form of **Exhibit 2.1 to the Franchise Agreement**; and

(b) Attachment 2--UCC-1 Financing attached hereto.

MAKER ACKNOWLEDGES THAT MAKER HAS READ AND UNDERSTANDS ALL OF THE PROVISIONS OF THIS PROMISSORY NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY.

"MAKER"

_____,
a _____

By:_____
_____, Manager

Maker's Address: _____
_____

ATTACHMENT 1
TO
EXHIBIT 2 OF THE FRANCHISE AGREEMENT
(Guarantee)

ATTACHMENT 2
TO EXHIBIT 2 OF THE FRANCHISE AGREEMENT
(Security Agreement / UCC-1 Financing Statement)

EXHIBIT C-2

SECURITY AGREEMENT FOR UCC-1 FILING

STATE OF _____

SECURITY AGREEMENT- UNIFORM COMMERCIAL CODE

Debtor:

Name:

(Exact Legal Name Required)

Address:

Residence:

(Street, City, State, Zip)

Business: _____

(Street, City, State, Zip)

Secured Party:

Name: TACTIC FRANCHISING, LLC

Address: 20551 N Pima Rd., Suite 100, Scottsdale, AZ 85255

(Street, City, State, Zip)

Debtor, for consideration, hereby grants to Secured Party a security interest in the following property and any and all additions, accessions and substitutions thereto or therefore (hereinafter called the "COLLATERAL"):

AS SECURITY, ALL OF DEBTOR'S RIGHT, TITLE AND INTEREST IN AND TO ANY AND ALL FURNITURE, FIXTURES, EQUIPMENT AND ACCOUNTS RECEIVABLE ASSOCIATED WITH THE BUSINESS KNOWN AS _____, INCLUDING A ____% MEMBERSHIP INTEREST IN _____, LLC, A _____ LIMITED LIABILITY COMPANY OR _____ SHARES IN _____, INC., A _____/ CORPORATION, ALL OF WHICH ARE SECURING A PROMISSORY NOTE DATED _____, 20___ IN THE AMOUNT OF $_____.

The above Collateral is to secure payment of the indebtedness evidenced by that certain Promissory Note dated _____, 20____, payable to the Secured Party, or order, as follows:

[INSERT TERMS OF NOTE]

DEBTOR EXPRESSLY WARRANTS AND COVENANTS:

1. That except for the security interest granted hereby, Debtor is, or to the extent that this agreement states that the Collateral is to be acquired after the date hereof, will be, the owner of the Collateral free from any adverse lien, security interest or encumbrances; and that Debtor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein. Debtor agrees.

2. The Collateral is used or bought primarily for:

☐ Personal, family or household purposes;
☐ Use in farming operations;
☒ Use in business.

3. That Debtor's residence, state of organization or chief executive office is as stated herein, and the Collateral will be kept at

(Street, City, County, State, Zip)

4. Intentionally Deleted.

5. Promptly to notify Secured Party of any change in the location of the Collateral.

6. To pay all taxes and assessments of every nature which may be levied or assessed against the Collateral.

7. Not to permit or allow any adverse lien, security interest or encumbrance whatsoever upon the Collateral and not to permit the same to be attached or replevined.

8. That the Collateral is in good condition, and that Debtor will, at Debtor's own expense, keep the same in good condition and from time to time, forthwith, replace and repair all such parts of the Collateral as may be broken, worn out, or damaged without allowing any lien to be created upon the Collateral on account of such replacement or repairs, and that the Secured Party may examine and inspect the Collateral at any time, wherever located.

9. That Debtor will not use the Collateral in violation of any applicable statutes, regulations or ordinances.

10. The Debtor will keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as the Secured Party may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods, and written by such companies or underwriters as the Secured Party may approve, losses in all cases to be payable to the Secured Party and the Debtor as their interest may appear. All policies of insurance shall provide for at least ten days' prior written notice of cancellation to the Secured Party; and the Debtor shall furnish the Secured Party with certificates of such insurance or other evidence satisfactory to the Secured Party as to compliance with the provisions of this paragraph. The Secured Party may act as attorney for the Debtor in making, adjusting and settling claims under or cancelling such insurance and endorsing the Debtor's name on any drafts drawn by insurers of the Collateral.

UNTIL DEFAULT, Secured Party shall have the immediate right to the possession of the Collateral.

DEBTOR SHALL BE IN DEFAULT under this agreement upon the happening of any of the following events or conditions:

(a) default in the payment or performance of any obligation, covenant or liability contained or referred to herein or in any note evidencing the same;

(b) the making or furnishing of any warranty, representation or statement to Secured Party by or on behalf of Debtor which proves to have been false in any material respect when made or furnished;

(c) loss, theft, damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy seizure or attachment thereof or thereon;

(d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws of, by or against Debtor or any guarantor or surety for Debtor.

UPON SUCH DEFAULT and at any time thereafter, or if it deems itself insecure, Secured Party may declare all Obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the XXX_____ Uniform Commercial Code. Secured Party may require Debtor to assemble the Collateral and deliver or make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses (including the allocated fees and expenses of in-house counsel) and such portion of the Secured Party's overhead as it may in its reasonable judgment deem allocable to and includable in such expenses.

No waiver by Secured Party of any default shall operate as a waiver of any other default or of the same default on a future occasion. The taking of this Security Agreement shall not waive or impair any other security Secured Party may have or hereafter acquire for the payment of the above indebtedness, nor shall the taking of any such additional security waive or impair this Security Agreement; but Secured Party may resort to any security it may have in the order it may deem proper, and notwithstanding any collateral security, Secured Party shall retain its rights of set-off against Debtor.

All rights of Secured Party hereunder shall inure to the benefit of its successors and assigns; and all promises and duties of Debtor shall bind Debtor's heirs, executors or administrators or Debtor's successors or assigns. If there be more than one Debtor, their liabilities hereunder shall be joint and several.

Dated: _____

Debtor:

ENTITY NAME, _____,
a _____

By:_____
_____
[Name], Manager/President

EXHIBIT D

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100% U
ONLINE TRAINING PLATFORM
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1. INTRODUCTION TO THE ONLINE PLATFORM
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13. MARKETING HANDBOOK

Approximate Page Count - 150 Pages

EXHIBIT E

FINANCIAL STATEMENTS

Hanna
Certified Public Accountant

Independent Auditor's Report

To the Members
Tactic Franchising, LLC

Opinion
We have audited the accompanying financial statements of Tactic Franchising, LLC, which comprise the balance sheets as of December 31, 2023 and the related statements of income (loss) and members' deficit, and cash flows for the year ended December 31, 2023 and the related notes to the financial statements. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of Tactic Franchising LLC as of December 31, 2022 and 2021, were audited by other auditors whose report dated May 12, 2023, expressed an unqualified opinion on those statements, and our opinion, insofar as it relates to the amounts included is based solely on the reports of the other auditors.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tactic Franchising, LLC as of December 31, 2023, and the results of its operations and its cash flows for the year ended December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tactic 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 Tactic Franchising, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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

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

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

Hanna, CPA
Hanna, CPA
April 15, 2024

TACTIC FRANCHISING, LLC

BALANCE SHEET

ASSETS	December 31 2022	December 31 2023
Current assets:		
Cash	$ 329,501	$ 307,578
Security Deposits	8,545	32,404
Prepaid expense	244,620	244,620
Franchise fee receivable, current	467,726	704,248
Deferred contract costs, current	680,769	680,769
Operating lease - right of use asset	242,369	593,235
Due from affiliate	114,364	4,056,412
Total current assets	2,087,894	6,619,266
Property and equipment, net	226,395	46,055
Other Assets:		
Franchise fee receivable, non current	8,102,603	14,031,482
Deferred contract costs, non current	5,460,783	4,780,783
Total other assets	13,563,386	18,812,265
Total assets	$ 15,877,675	$ 25,477,586
LIABILITIES AND MEMBERS' EQUITY		
Current liabilities:		
Accounts Payable & Accrued Expenses	$ 509,483	$ 5,625
Clinic consulting fees payable, current	212,710	302,812
Deferred franchise fees, current	1,311,120	2,061,014
Lease obligation, current	134,213	111,738
Short term debt	20,459	-
Total current liabilities	2,187,985	2,481,189
Long Term Liabilities		
Clinic consulting fees payable, non current	4,561,707	7,818,829
Deferred franchise fees, non current	10,554,875	15,376,549
Lease obligation, non current	127,704	481,497
Long term debt	264,951	150,000
Total long term liabilities	15,509,237	23,826,875
Total Liabilities	17,697,222	26,308,064
Members' Equity		
Membership interest	(1,819,547)	(830,478)
Total Member's equity	(1,819,547)	(830,478)
Total liabilities and Member's equity	$ 15,877,675	$ 25,477,586

See independent auditor's report and accompanying notes to financial statements

TACTIC FRANCHISING, LLC

STATEMENT OF INCOME

	For The Year Ended December 31, 2021	For The Year Ended December 31, 2022	For The Year Ended December 31, 2023
Revenues:			
Franchise Fee	$ 326,944	$ 1,165,078	$ 2,528,757
Interest Income - Franchise Fee	135,360	725,366	962,240
Marketing Fees	-	582,000	886,350
Royalties	-	1,863,074	3,064,782
Other revenue	-	17,500	160,342
Total revenues	$ 462,304	$ 4,353,018	$ 7,602,471
Operating expenses:			
Advertising	89,054	636,777	235,419
Automobile expenses	-	10,005	22,425
Clinic consulting fees	17,324	1,031,832	1,484,319
Depreciation	1,370	15,494	30,050
Insurance	3,195	11,538	18,817
Interest expense	94,725	7,667	12,681
Office expenses	24,562	123,573	231,749
Professional fees	49,006	140,978	208,766
Rent	18,232	113,359	147,646
Salaries and wages	471,688	1,432,887	2,043,817
Travel and entertainment	15,004	236,062	20,416
Training	16,264	49,595	179,265
Total operating expenses	800,424	3,809,767	4,635,370
Income (loss) from operation	(338,120)	543,251	2,967,101
Other income / Expenses			
Loss from sales of fixed assets	-	-	(150,290)
Net income	(338,120)	543,251	2,816,811

See independent auditor's report and accompanying notes to financial statements

TACTIC FRANCHISING, LLC

STATEMENT OF MEMBERS' EQUITY

For The Years Ended December 31, 2023 and 2022 and 2021

	Members Units				
	Units	Amount	Additional paid-in capital	Net income (Loss)	Total
Balance, October 5, 2021	-	$ -	$ (315,940)	$ -	$ (315,940)
Members distributions	-	-	-	(166,319)	(166,319)
Net income	-	-	-	(338,120)	(338,120)
Balance, December 31, 2021	-	$ -	$ (315,940)	$ (504,439)	$ (820,379)
Balance, January 1, 2022	-	$ -	$ (315,940)	$ (504,439)	$ (820,379)
Members distributions	-	-	-	(1,542,419)	(1,542,419)
Net income	-	-	-	543,251	543,251
Balance, December 31, 2022	-	$ -	$ (315,940)	$(1,503,607)	$ (1,819,547)
Balance, January 1, 2023	-	$ -	$ (315,940)	$(1,503,607)	$ (1,819,547)
Members distributions	-	-	-	(1,827,742)	(1,827,742)
Net income	-	-	-	2,816,811	2,816,811
Balance, December 31, 2023	-	$ -	$ (315,940)	$ (514,538)	$ (830,478)

See independent auditor's report and
accompanying notes to financial statements

TACTIC FRANCHISING, LLC

STATEMENT OF CASH FLOWS

	For The Year Ended December 31, 2021	For The Year Ended December 31, 2022	For The Year Ended December 31, 2023
Cash flows from operating activities			
Net income (loss)	$ (338,120)	$ 543,251	$ 2,816,811
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation and amortization	1,370	15,494	30,050
Amortization of intangible lease assets		(242,369)	-
Reduction of lease obligations		261,917	-
Loss from sale of fixed assets		-	150,290
Changes in operating assets and liabilities:			
Security Deposits	(8,545)	-	(23,859)
Franchise fee receivable		535,981	(6,165,401)
Deferred contract costs	(655,372)	7,148	680,000
Prepaid expense	(196,607)	(48,013)	-
Right of use assets	-	-	(350,866)
Due from affiliate	-	(59,364)	(3,942,048)
Accounts Payable & Accrued Expenses	26,050	481,543	(503,858)
Clinic consulting fees payable		(338,084)	3,678,542
Deferred franchise fees	1,107,529	589,922	5,571,568
Deferred revenue	113,167	(113,167)	-
Net cash flows provided by (used in) operating activities	49,472	1,634,259	1,941,229
Cash flows from Investing activities			
Purchase of fixed assets	(7,500)	(180,340)	-
Net Cash flows used in investing activities	(7,500)	(180,340)	-
Cash flows from financing activities			
Proceeds from debt	-	140,340	-
Principal payments on debt	-	(4,930)	(135,410)
Members' distribution	(166,319)	(1,542,419)	(1,827,742)
Net cash flows provided by (used in) financing activities	(166,319)	(1,407,009)	(1,963,152)
Net increase/decrease in cash and cash equivalent	(124,347)	46,910	(21,923)
Cash at beginning of period	406,938	282,591	329,501
Cash at end of period	$ 282,591	$ 329,501	$ 307,578
Supplemental disclosure of cash flow information:			
Cash paid during the year for:			
Interest	$ 89,100	$ 2,042	$ 12,681
Income tax	$ -	$ -	$ -

See independent auditor's report and accompanying notes to financial statements

NOTE 1 – BUSINESS ACTIVITY

Tactic Franchising, LLC was formed in the state of California on February 8, 2018; It is subsequently converted to a Texas Limited Liability Company in October 2021. the Company is in the business of the sale of franchise that operate a "100% Chiropractic" franchised locations, which, depending on applicable state law, either (a) involves the operation of a clinic that specializes in providing chiropractic services and products to the public through licensed chiropractic professionals, or (b) involves in the operation of a business that provides management services to professional corporations that specialize in providing chiropractic services and products to the public through licensed chiropractic professionals. Franchises may be offered the opportunity to purchase a Hub location franchise or a Launch location franchise, with the latter to include both doctor and non-doctor owned. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to Tactic Franchising, LLC.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Tactic Franchising LLC (the "Company") is presented to assist in understanding the Company's financial statements. The financial statements and notes are representation of the Company's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP"). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standard ASC Topis 606, "Revenue from Contracts with Customers". The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to the performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors—Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient*. This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchisee as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, nonrefundable fee and continuing fees. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Services provided in exchange for initial franchise fees are highly interrelated with the franchise right and are not individually distinct from the ongoing services the Company provides to its franchisees. As a result, initial franchise fees are recognized as revenue over the term of each respective franchise agreement. Revenues for these initial franchise fees are recognized on the straight-line basis, which is consistent with the franchisee's right to use and benefit from intellectual property.

The Company recognizes franchise royalties and system advertising on a monthly basis, which are generally based upon a percentage of sales made by the Company's franchisees, when they are earned and deemed collectible.

- Approval of all site selections to be developed.
- Provision of architectural plans to be developed.
- Assistance in establishing building design specifications, reviewing construction compliance and equipping the location.
- Provision of management training for the new franchisee and selected staff.
- Assistance with the initial operations of the location being developed.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. For the years ended December 31, 2023, and 2022, no impairment of the carrying values of its long-lived assets existed at that period. There can be no assurance, however, that demands for the Company's products or market conditions will not change which could result in impairment losses in the future.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 3 to 10 years.

Income Taxes

The Company does not incur income taxes; instead, its earnings are included on the members' personal income tax returns and taxed depending on personal tax situations. The financial statements, therefore, do not include a provision for income taxes.

As defined by Financial Accounting Standards Board Accounting Standards Codification (ASC) Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these financial statements.

Operating lease

Prior to the adoption of ASC 842, *Leases,* in January 2022, the Company recognized fixed minimum rent expense on non-cancelable leases on a straight-line basis over the term of each individual lease.

In January 2022, the Company adopted ASC 842 which includes accounting for the right-of-use asset and associated lease obligations based on the net present value of future lease payments. This standard was implemented using the effective date method under the modified retrospective approach. The Company's right-of-use intangible lease asset and associated lease obligations have been included on the accompanying balance sheets. The Company has implemented the risk-free rate practical expedient in determining the discount rate applied in determining the lease asset and associated obligation. The Company has also elected to exclude short-term leases with terms of less than twelve months or those with low asset values as a practical expedient.

Reclassification

Certain reclassifications have been made to the prior year's financial statement presentation to correspond to the current year's format. The members' deficit was unchanged due to these reclassifications.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC

Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Related Party Transactions

The Company shares substantially all its expenses with 100%, Inc., an affiliate of the Company. The portion of the expenses allocated to the affiliate are classified as due from affiliate as reported on the balance sheet. The amounts due from the affiliate are due on demand and bear no interest.

Subsequent Events

The Company has evaluated subsequent events through the date on which the financial statements were available to be issued and nothing has occurred that would require disclosure.

NOTE 3 – MEMBERS' EQUITY

During the years ended December 31, 2023, and 2022, the Company did not issue membership units. All contributions and distributions are recorded as additional paid-in capital.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of December 31, 2023, 2022, and 2021:

		December 31, 2023	December 31, 2022	December 31, 2021
Furniture and Equipment	$	6,535	6,535	6,535
Vehicles		-	180,340	-
Leasehold improvements		62,548	62,548	62,548
		69,083	249,423	69,083
Less: Accumulated depreciation		(23,028)	(23,028)	(7,534)
Property and equipment, net	$	46,055	226,395	61,549

Depreciation for the years ended December 31, 2023, 2022 and 2021 were $30,050 and $15,494, respectively.

NOTE 5 – NOTES PAYABLE

		December 31, 2023	December 31, 2022	December 31, 2021
On August 30, 2020, the Company was granted an Economic Injury Disaster Loan (EIDL) from a financial institution in the aggregate amount of $150,000, pursuant to Section 7(b) of the Small Business Act, as amended. The loan matures in August 2050 and bears interest at a fixed rate of 3.75% per annum, payable monthly commenced in March 2023. The loan may be prepaid by the borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used as working capital to alleviate economic injury caused by the disaster occurred in the month of January 2020. The loan is collateralized by assets of the Company.	$	150,000	150,000	150,000
In September 2022, the Company entered into a vehicle loan in the amount of $140, 340. The loan matures in September 2028, bears a fixed interest rate of 5.89%, and requires monthly payments of $2,324. The vehicle was sold in 2023 and the loan was paid off.		-	135,410	-
		150,000	249,423	150,000
Current portion		-	20,459	-
Notes Payable, net of current portion	$	150,000	264,951	150,000

NOTE 6 – COMMITMENTS

The Company is sharing a location with a related party for five years rent commenced August 2023 and is obligated to average 85% of the monthly rent payment. Minimum obligation for the years ended December 31, 2023 as follow:

	December 31, 2023
2024	$ 111,738
2025	115,091
2026	118,543
2027	122,100
2028	125,763
Thereafter	-
Total	$ 593,235

THE FOLLOWING FINANCIAL STATEMENTS HAVE BEEN PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED AN OPINION WITH REGARD TO THEIR CONTENT OR FORM.

TACTIC Franchising

Balance Sheet

As of March 15, 2024

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
TACTIC (9370)	179,701.74
Tactic Marketing	209,845.77
Tactic Technology	59,929.15
Total Bank Accounts	**$449,476.66**
Other Current Assets	
Deferred Contract Costs	680,769.00
Due from 100% Inc	4,056,412.50
Prepaid Expenses	244,620.00
Total Other Current Assets	**$4,981,801.50**
Total Current Assets	**$5,431,278.16**
Fixed Assets	
Accumulated Depreciation	-23,028.00
Furniture & Equipment	6,535.44
Leasehold Improvements	62,547.56
Total Fixed Assets	**$46,055.00**
Other Assets	
Deferred Contract Costs - long	4,780,783.30
Franchise Fee Receivables	**15,304,422.01**
Franchise Fee Receivables Noncurrent	-704,247.52
Operating Lease - ROU	593,235.00
Security Deposits	22,121.35
Trabue Termination Loan	8,859.33
Total Other Assets	**$20,005,173.47**
TOTAL ASSETS	**$25,482,506.63**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Accrued Interest	5,625.00
Deferred Franchise Fee Income	2,061,013.73
Lease Liability - Current	111,738.00
Total Other Current Liabilities	**$2,178,376.73**
Total Current Liabilities	**$2,178,376.73**

TACTIC Franchising

Balance Sheet

As of March 15, 2024

	TOTAL
Long-Term Liabilities	
Clinic Consultant Agreements	**8,061,294.64**
Deferred Franchise Fees - long	15,376,548.55
EIDL Loan	150,000.00
Lease Liability - Non current	481,497.00
Total Long-Term Liabilities	**$24,069,340.19**
Total Liabilities	**$26,247,716.92**
Equity	
Helfrich Distribution	-2,223,214.49
Helfrich to INC	-2,275,976.60
Total Helfrich Distribution	**-4,499,191.09**
Opening Balance Equity	290,009.23
Retained Earnings	2,343,076.73
Net Income	1,100,894.84
Total Equity	**$ -765,210.29**
TOTAL LIABILITIES AND EQUITY	**$25,482,506.63**

TACTIC Franchising

Profit and Loss

January 1 - March 15, 2024

	TOTAL
Income	
Interest Income Franchise Fee	**222,870.03**
Interest Income Termination of Franchise Fees	
Trabue	177.15
Total Interest Income Termination of Franchise Fees	**177.15**
Marketing Fees	**228,000.00**
Royalty Income	**775,162.60**
Sales of Franchise Income	**129,324.91**
Technology Fee	**205,254.00**
Total Income	**$1,560,788.69**
Cost of Goods Sold	
Cost of Goods Sold	
Printing	3,561.78
Total Cost of Goods Sold	**3,561.78**
Total Cost of Goods Sold	**$3,561.78**
GROSS PROFIT	**$1,557,226.91**
Expenses	
Bank Charges & Fees	-9.03
Contract Labor	
Clinic Consultant Fee Expense	**159,447.80**
Total Contract Labor	**159,447.80**
Elevate Marketing Company	**0.00**
Franchise Loan Accrued Interest Expense	
Mt Pleasant	-5,020.83
Total Franchise Loan Accrued Interest Expense	**-5,020.83**
Interest Expense	
EIDL Loan	1,462.00
Total Interest Expense	**1,462.00**
Legal & Professional Fees	28,967.05
Accountant	540.00
Accounting Fees	
Intuit	200.00
Total Accounting Fees	**200.00**
Total Legal & Professional Fees	**29,707.05**
Marketing Fee Expenditures	
Tactic to Inc Transfers	127,000.00
Total Marketing Fee Expenditures	**127,000.00**
Rent or Lease	
Rent of Equipment	1,263.58
Total Rent or Lease	**1,263.58**
Taxes & Licenses	-3,726.50
Technology Fee Expenditures	

TACTIC Franchising

Profit and Loss

January 1 - March 15, 2024

	TOTAL
Transfers to Inc	146,208.00
Total Technology Fee Expenditures	**146,208.00**
Total Expenses	**$456,332.07**
NET OPERATING INCOME	**$1,100,894.84**
NET INCOME	**$1,100,894.84**

EXHIBIT F

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into _____, ("Effective Date"), by and between TACTIC Franchising, LLC, a Delaware limited liability company, ("Franchisor") and _____ a, _____ ("Developer").

RECITALS

A. WHEREAS, Franchisor has developed and administers a system that provides various techniques and methods, various trade secrets, copyrights, confidential and proprietary information and other intellectual property rights (the "System") for the establishment and operation of a distinctive chiropractic practice or for the management of such practice (the "Business" or "Practice") of which is identified by the "100% Chiropractic" trade name and other trademarks and service marks licensed hereunder (the "Marks").

B. WHEREAS, the System includes the Marks and trade secrets, proprietary methods, information and procedures for the establishment and operation and or management of a Chiropractic Practice, including, without limitation, confidential manuals (collectively, the "Manual"), methods, equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, personnel management, distinctive interior design and display procedures, and color scheme and decor.

C. WHEREAS, Franchisor has licensed from 100%, Inc., a Colorado corporation ("Licensor" and owner of the Marks) the rights to the Marks for use in connection with its franchise program which Franchisor grants to qualified persons (who are willing to undertake the required investment and effort), a license to establish and operate or manage a 100% Chiropractic Practice (the "Business" or the "Practice".)

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

1. GRANT

(a) Franchisor hereby grants to Developer, pursuant to the terms and conditions of this Agreement, the right to purchase, establish and operate or manage the 100% Chiropractic franchises within the area described in Exhibit A attached hereto (the "Designated Territory") and incorporated by this Reference.

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(b) Developer shall be bound by the Development Schedule ("Development Schedule") set forth in Exhibit B. Time is of the essence to this Agreement. Each Business shall be established and operated or managed pursuant to a separate franchise agreement ("Franchise Agreement") to be entered into by Developer and Franchisor. Each Franchise Agreement shall be in Franchisor's then-current form of the Franchise Agreement which may differ than the initial Franchise Agreement except territory protection, shall remain as set forth in this Agreement and for the term of each Franchise Agreement entered into under the Development Schedule. Developer acknowledges and agrees that all Franchise Agreements entered into in connection with the Businesses are independent of this Agreement. The continued existence of such Franchise Agreement shall not depend on the continuing existence of this Agreement.

(c) This Agreement is not a Franchise Agreement, and Developer shall have no right to use the Marks in any manner by virtue hereof or to engage in the business of offering, selling or distributing goods or services under the Marks or the System in any manner. All such rights, as applicable will be provided by the Franchise Agreements.

(d) Developer shall have no right under this Agreement to license others or to sell franchises to operate a business or use the System or the Marks, except Developer may sell a specific franchised Business which it owns, in accordance with the terms of the applicable Franchise Agreement.

2. NO EXCLUSIVITY

(a) Developer receives no exclusive rights to the Designated Territory under this Agreement.

(b) During the Term of this Agreement, Franchisor reserves the right to:

(i) establish and operate, and allow others to establish and operate or manage, a Business using the Marks and the System, anywhere inside or outside the Designated Territory, on such terms and conditions as Franchisor deems appropriate but not for chiropractic services;

(ii) establish and operate, and allow others to establish and operate, Competitive Businesses that may offer products and services which are identical or similar to products and services offered by the Businesses, under trade names, trademarks, service marks and commercial symbols different from the Marks;

(iii) establish, and allow others to establish, other businesses and distribution channels (including, but not limited to, temporary facilities and Internet-based facilities), wherever located or operating and regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial symbols that are the same as or different from Marks, and that sell products and/or services that are identical or similar to, and/or competitive with, those that the Franchisees customarily sell;

(iv) acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at a franchisee Business and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Designated Territory);

(v) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing products and services similar to those provided at the Business, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Designated Territory; and

(vi) engage in all other activities not expressly prohibited by this Agreement.

3. DEVELOPMENT AND FRANCHISE FEE

(a) As consideration for the rights and options granted herein, Developer shall pay to Franchisor a development fee. The Development Fee is to be paid simultaneously with the execution of

this Agreement. The Development Fee is non-refundable, notwithstanding any provision to the contrary contained herein or in any Franchise Agreement.

(b) The Development Fee is based upon the number of franchises that Developer agrees to develop and operate as set forth in Exhibit B. Upon payment by Developer the fee shall be fully paid with no addition fee or franchise fees required during the Term.

(c) Developer shall submit a separate application for each Franchise to be established within the area selected by Developer. Upon approval, a separate then current Franchise Agreement shall be executed at the same time its lease (or property purchase) is signed for each franchise acquired under this Agreement. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of such franchise subject to those items that remain the same throughout the term of each Franchise Agreement as described in Sec 1(b) above.

4. DEVELOPMENT SCHEDULE

(a) Developer agrees to have open and in operation at the end of each development period set forth on the Development Schedule in Exhibit B, the cumulative number of franchised Businesses set forth on such Schedule. Developer shall at all times after the opening of a franchised Business continuously maintain it in operation under its Franchise Agreement for the balance of the term applicable to each such Franchise Agreement.

(b) Franchisor shall execute each Franchise Agreement only if (i) Developer is in compliance with all requirements and obligations of this Agreement and all other agreements between Franchisor and Developer including all franchise agreements, and (ii) Developer is in strict compliance with all of Developer's respective obligations under each Franchise Agreement, including, without limitation, its financial obligations and obligations to operate each Business in compliance with the System. To meet the Development Schedule, the Franchise Agreement must be executed by Developer and Franchisor by the date the Franchisee's lease is signed, and the Business to be operated under such Franchise Agreement must be open for business as set forth in Exhibit B.

5. TERM

The Term ("Term") of this Agreement and all rights granted hereunder to Developer shall expire when both of the following have occurred: (i) the date of Franchisor's and Developer's execution of the Franchise Agreement for the last Business to be established pursuant to the Development Schedule and (ii) the opening of this last Business.

6. DEVELOPER'S DUTIES

Developer shall perform the following obligations:

(a) Developer shall comply with all terms and conditions set forth in this Agreement.

(b) Developer shall comply with all of the terms and conditions of each Franchise Agreement. However, Developer will not be required to attend the initial franchisee training conducted by Franchisor in connection with the second or any subsequent Business.

(c) At any time during this Agreement, if Franchisor reasonably believes that Developer needs assistance in managing its locations, it can require Developer to engage a district manager, approved by Franchisor, to oversee the development and operation of the Businesses. Such district

manager shall be in addition to, not in lieu of, the manager responsible for the day-to-day operations of each franchised Business.

(d) Developer shall at all times preserve in confidence any and all materials and information furnished or disclosed to Developer by Franchisor, and Developer shall disclose such information or materials only to such of Developer's employees or agents who must have access to it in connection with their employment. All of Developer's employees or agents who must have access to such information or materials shall be required to execute nondisclosure agreements in the form acceptable to Franchisor. Developer shall not at any time, without Franchisor's prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person. It is Developer's obligation to obtain the approved form of non-disclosure agreement from Franchisor and obtain execution of such agreement from its employees and deliver the same to Franchisor within 30 days of employment of each such employee.

(e) Developer shall return to Franchisor all manuals and other confidential information that Developer received from Franchisor in the course of operating the Businesses when Developer leaves the System whether due to an early termination or upon expiration of the Term.

7. PROPRIETARY MARKS/CONFIDENTIALITY

Notwithstanding any provision to the contrary under this Agreement, the parties agree that this Agreement does not grant Developer any right to use the Marks or to use any of Franchisor's confidential information. Further, the parties agree that this Agreement does not grant Developer any copyright or patent rights which Franchisor now owns or may hereinafter own. Rights to the Marks, confidential information or copyrights are granted to Developer only by the Franchise Agreements.

8. DEFAULT AND TERMINATION

(a) The rights granted to Developer in this Agreement have been granted in reliance on Developer's representations and warranties, and strictly on the conditions set forth in this Agreement, including the condition that Developer strictly complies with the Development Schedule.

(b) Developer shall be deemed in default under this Agreement, and all rights granted herein to Developer shall automatically terminate without notice: (i) if Developer is adjudicated bankrupt, becomes insolvent, commits any affirmative action of insolvency or files any action or petition of insolvency, or if a receiver (permanent or temporary) of Developer's property or any part thereof is appointed by a court of competent authority or if Developer makes a general assignment for the benefit of Developer's creditors; (ii) if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersedeas bond is filed); (iii) if execution is levied against Developer's business or property, or (iv) if suit to foreclose any lien or mortgage against Developer's premises or equipment is instituted against Developer and not dismissed within thirty (30) days or is not in the process of being dismissed; provided, however, that Franchisor reserves the right to be named as trustee or receiver in any voluntary petition for bankruptcy or insolvency filed by Developer.

(c) Any of the following events shall constitute a default under this Agreement when Developer: (a) fails to enter into one or more Franchise Agreements pursuant to this Agreement or fails to open a specific franchised Business on or before the dates set forth on the Development Schedule; (b) fails to comply with any other term or condition of this Agreement subject to any notice requirement; (c) makes or attempts to make a transfer or assignment of this Agreement in violation of this Agreement or (d) fails to comply with the terms and conditions of any individual Franchise Agreement with Franchisor or of any other agreement to which Developer and Franchisor are parties subject to any notice

requirement. Upon any such default, Franchisor, in Franchisor's discretion, may do any one or more of the following:

(i) Terminate this Agreement and all rights granted hereunder to Developer without affording Developer any opportunity to cure the default effective immediately upon receipt by Developer of written notice from Franchisor, after meeting any required notice;

(ii) Reduce the number of Franchises that the Franchisee has not yet signed, without refunding any of the Development Fee; or

(iii) Exercise any other rights and remedies that Franchisor may have.

(d) Upon termination of this Agreement, all remaining rights granted Developer to establish Businesses under this Agreement shall automatically terminate and Franchisor shall have no obligation to return any of the remaining Development Fee to Developer. Developer shall have no right to establish or operate any Business for which a Franchise Agreement has not been executed by Franchisor. Notwithstanding the above, the Developer must continue to comply with the terms and conditions of each Franchise Agreement which shall control in determining whether any default exists under such Franchise Agreement.

(e) No right or remedy herein conferred upon or reserved to Franchisor is exclusive of any other right or remedy provided or permitted by law or equity.

9. TRANSFERABILITY

(a) Developer acknowledges that Franchisor maintains a staff to manage and operate the franchise system and that the members of the staff can change as employees come and go. Developer represents that Developer has not signed this Agreement in reliance on any particular owners, directors, officers or employees remaining with Franchisor in that capacity. Franchisor may change Franchisor's ownership or form and/or assign this Agreement and any other agreement to a third party without restriction.

(b) Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer and are granted in reliance upon Developer's personal qualifications and the personal qualifications of the owners of Developer. Developer has represented to Franchisor that Developer is entering into this Agreement with the intention of complying with its terms and conditions and not for the purpose of resale of the developmental rights hereunder.

(c) Neither Developer, nor any of Developer's owners without Franchisor's prior written consent, by operation of law or otherwise, shall sell, assign, transfer, convey, give away or encumber to any person, entity or partnership, any or all of their ownership interest in Developer or Developer's interest in this Agreement or offer, permit or suffer the same to be sold, assigned, transferred, conveyed, given away or encumbered in any way to any person, entity or partnership.

Any purported assignment of any of Developer's or any of its owners' rights herein, not having the aforesaid consent, shall be null and void and shall constitute a material default hereunder. Any assignment or transfer may only be made if the proposed assignees or transferees: (i) are of good moral character and have sufficient business experience, aptitude and financial resources, (ii) otherwise meet Franchisor's then applicable standards for developers, (iii) are willing to assume all of Developer's obligations hereunder and to execute and be bound by all provisions of Franchisor's then-current form of

the Area Development Agreement for a term, at Franchisor's sole option (a) equal to the remaining term hereof or (b) equal to the terms set forth in its then current form of Area Development Agreement; and (iv) willing to assume all of Developer's obligations under each and every Franchise Agreement Developer entered with Franchisor.

As a condition to granting Franchisor's approval of any such assignment or transfer, Franchisor may require Developer or the assignee or transferee to pay to Franchisor, Franchisor's then-current assignment fee to defray expenses incurred by Franchisor in connection with the assignment or transfer, legal and accounting fees, credit and other investigation charges and evaluation of the assignee or transferee and the terms of the assignment or transfer. If the then-current Area Development Agreement does not contain such a fee, then the fee shall be the same as set forth in then-current Franchise Agreement. Franchisor shall have the right to require Developer and Developer's owners to execute a general release of Franchisor and Franchisor's owners, directors, officers, successors and assigns, in form and content satisfactory to Franchisor as a condition to Franchisor's approval of the assignment of this Agreement or ownership of Developer.

(d) If Developer or its owners shall at any time determine to sell the rights under this Agreement or any of Developer's ownership interests in Developer or any of Developer's assets (except in the ordinary course of business), Developer or Developer's owners shall obtain a bona fide, executed written offer from a responsible and fully disclosed purchaser and shall submit an exact copy of such offer to Franchisor, which shall, for a period of twenty (20) days from the date of delivery of such offer, have the right, exercisable by written notice to Developer or Developer's owners, to purchase such rights under this Agreement or such ownership interests for the price and on the terms and conditions contained in such offer, provided that Franchisor may substitute cash for any form of payment proposed in such offer and that Franchisor shall have not less than sixty (60) days to close with Developer's cooperation. If Franchisor does not exercise this right of first refusal, Developer or Developer's owners, as applicable, may complete the sale of such interest in this Agreement or such ownership interest, subject to Franchisor's approval of the purchaser as provided in this Section, provided that if such sale is not completed within ninety (90) days after delivery of such offer to Franchisor, Franchisor shall again have the right of first refusal provided herein as to any further offers to purchase by 3rd parties.

(e) In addition to the right of first refusal, Developer must give Franchisor ninety (90) days' written notice prior to its offering for sale or transfer a full or partial interest in Developer or its ownership of this Agreement by Developer or any of Developer's owners. The parties acknowledge that one of the reasons for this subsection is to enable Franchisor to comply with any applicable state or federal franchise disclosure laws. Developer agrees to indemnify and hold Franchisor harmless for Developer's failure to comply with this Subsection.

(f) No sale, assignment, transfer, conveyance, encumbrance or gift of any interest in this Agreement or in the rights granted thereby, shall relieve Developer and the owners, of the obligations of the covenants not to compete with Franchisor contained in this Agreement except where Franchisor shall expressly authorize in writing.

(g) Unless otherwise set forth in this Agreement all of the provisions regarding the transfer of a Franchised Business are included in the applicable Franchise Agreement.

10. COVENANTS

(a) Developer acknowledges that Franchisor has granted Developer the rights under this Agreement in consideration of and reliance upon Developer's agreement to deal exclusively with Franchisor. Developer therefore agrees that, during this Agreement's Term, neither Developer, any of

Developer's owners, nor any of their immediate family will:

(i) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business, wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Subsection);

(ii) perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating; recruit or hire any person then employed, or who was employed within the immediately preceding twenty-four (24) months, at another franchisee's Business or operated by Franchisor, any of Franchisor's affiliates, or by a franchisee, without obtaining the employer's prior written permission;

(iii) divert or attempt to divert any actual or potential customer of a Business to a Competitive Business; or

(iv) engage in any other activity which might injure the goodwill, Marks or the System.

The term "Competitive Business" means any business (other than a franchised Business) principally offering products and services substantially similar to the products and services then being offered by the majority of the System's franchisees.

(b) Developer and its owners covenant that, except as otherwise approved in writing by Franchisor, they shall not, for a period of two (2) years after the (i) expiration of this Agreement, (ii) termination of this Agreement, or (iii) on the date on which all persons restricted by this subsection begin to comply with this Subsection (the latter being the "Start Date"), regardless of the cause of termination, either directly or indirectly, for itself, or through, on behalf of or in conjunction with any person, entity or partnership maintain, engage in, consult with or have any interest in any Competitive Business within twenty-five miles of one of its operating Franchise Locations or within a twenty-five (25) mile radius of any other System franchisee's Business in operation or under construction on the date of expiration or termination of this Agreement or if later, the Start Date described above.

(c) Each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision, which cannot be appealed, to which Franchisor is a party, Developer expressly agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.

(d) Developer understands and acknowledges that Franchisor shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in Section 10(a) or 10(b) of this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice, and Developer agrees that Developer shall comply with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 16 hereof.

(e) Franchisor shall have the right to require all of Developer's (and its owners unless such owner is signing this Agreement) personnel performing managerial or supervisory functions and all personnel receiving special training from Franchisor to execute similar covenants in a form satisfactory to Franchisor.

(f) In addition to the foregoing covenants, Developer shall be bound by and comply with the covenants contained in each Franchise Agreement executed by Franchisor and Developer.

11. NOTICES

All written notices permitted or required to be delivered by the provisions of this Agreement, shall be deemed so delivered as follows: on the date when hand delivered; one (1) day after sending with a commercial delivery service which guarantees next day delivery; three (3) days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; one (1) day after delivery to a reputable overnight carrier, or upon personal service, and addressed to (or served upon) the party to be notified at its most-current principal business address of which the notifying party has been notified.

12. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

(a) It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this Agreement is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

(b) Developer understands and agrees that nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Franchisor's behalf or to incur any debt or other obligation in Franchisor's name and that Franchisor assumes no liability for, nor shall Franchisor be deemed liable by reason of, any act or omission of Developer in Developer's conduct of the Businesses or any claim or judgment arising therefrom. Developer shall indemnify and hold Franchisor harmless against any and all such claims directly or indirectly from, as a result of or in connection with Developer's operations or under any Franchise Agreement, as well as the costs, including attorneys' fees, of defending against them.

(c) Developer acknowledges that because complete and detailed uniformity under many varying conditions may not be possible or practical, Franchisor specifically reserves the right at Franchisor's sole discretion and as it may deem in the best interests of all concerned in any specific instance, to vary standards for any developer based upon the peculiarities of the particular location or circumstance, business potential, population of trade area, existing business practices or any other condition which Franchisor deems to be of importance to the successful operation of the System under any Franchise Agreement. Developer shall not be entitled to require Franchisor to disclose or grant to Developer a like or similar variation hereunder to that which may be accorded to any other developer.

13. APPROVALS

(a) Whenever this Agreement requires Franchisor's prior approval or consent, Developer shall make a timely written request to Franchisor therefor, and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing.

(b) Franchisor makes no warranties or guarantees upon which Developer may rely and assumes no liability or obligation to Developer or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to Developer in connection with this Agreement or by reason of any neglect, delay or denial of any request therefor.

14. NON-WAIVER

No failure by Franchisor to exercise any power reserved to Franchisor in this Agreement or to insist upon compliance by Developer with any obligation or condition in this Agreement, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of Franchisor's rights to demand exact compliance with the terms of this Agreement. Waiver by Franchisor of any particular default shall not affect or impair Franchisor's right in respect to any subsequent default of the same or of a different nature, nor shall any delay, forbearance or omission by Franchisor to exercise any power or right arising out of any breach or default by Developer of any of the terms, provisions or covenants of this Agreement, affect or impair Franchisor's rights, nor shall the same constitute a waiver by Franchisor of any rights hereunder or rights to declare any subsequent breach or default.

15. SEVERABILITY AND CONSTRUCTION

(a) Each provision of this Agreement shall be deemed severable from the others.

(b) Nothing in this Agreement shall confer upon any person or legal entity other than the parties hereto and such of their respective successors (and assigns as may be contemplated by Section 9) hereof, any rights or remedies under or by reason of this Agreement.

(c) All captions in this Agreement are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

(d) This Agreement may be executed in duplicate and each copy so executed shall be deemed an original.

(e) Nothing contained herein shall be deemed a waiver of any rights Developer may have to rely on information contained in the Franchise Disclosure Document ("FDD").

16. ENTIRE AGREEMENT

This Agreement constitutes the entire, full and complete agreement between the parties concerning the subject matter and supersedes all prior agreements. However, nothing contained herein shall be deemed a waiver of any rights Developer may have to rely on information contained in the FDD to which it is attached. No amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by themselves or their authorized officers or agents in writing.

17. SUPERIORITY OF FRANCHISE AGREEMENT

For each Business developed in the Designated Territory, a separate Franchise Agreement shall be executed, and any individual franchise fee as set forth in each such Franchise Agreement shall not apply to Developer unless otherwise set forth in this Agreement. It is understood and agreed by Developer that any and all Franchise Agreements executed in connection with this Agreement within the Designated Territory are independent of this Agreement. The continued existence of any such Franchise Agreement shall not depend on the continuing existence of this Agreement. If any conflict shall arise in connection with this Agreement and any Franchise Agreement executed within the Designated Territory, the latter shall have precedence and superiority over the former.

18. ENFORCEMENT

(a) No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

(b) Nothing in this Agreement bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause Franchisor, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Developer agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Developer agrees that Franchisor will not be required to post a bond to obtain injunctive relief.

19. DISPUTE RESOLUTION

For the purposes of this Section, "Developer" shall be deemed to include its owners, affiliates and its respective employees, and "Franchisor" shall be deemed to include Franchisor, its parent, and its affiliates.

(a) Mediation, Mandatory Binding Arbitration, and Waiver of Court Trial.

Developer and Franchisor believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. Developer and Franchisor have agreed that the provisions of this Section support these mutual objectives and, therefore, agree as follows:

(i) Claim Process. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, including any claim for equitable relief or involving Developer and Franchisor on whatever theory and/or facts based, and whether or not arising out of this Agreement, ("Claim") will be processed in the following manner: (Developer and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 19(a)(iv))

(a) First, discussed in a face-to-face meeting held within thirty (30) days after either Developer or Franchisor give written notice to the other proposing such a meeting.

(b) Second, if not resolved, submitted to non-binding mediation. Developer and Franchisor will split the costs of the mediator and his or her costs, and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Developer and Franchisor do not want to participate in mediation, then they may proceed to arbitration as provided below.

(c) Third, submitted to and finally resolved by binding arbitration before a single arbitrator in Scottsdale, Arizona, and in accordance with the arbitration rules of the American Arbitration Association or its successor. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

(ii) Confidentiality. The parties to any meeting/mediation/arbitration will sign confidentiality agreements, excepting only public disclosures and filings as are required by law.

(iii) Fees and Costs. The parties will bear their own fees and costs, including attorneys' fees; provided that for matters not settled through agreement of the parties, the arbitrator may assess all, or any portion, of the fees and costs (including attorney fees) incurred in connection with any arbitration against the party who does not prevail.

(iv) Disputes Not Subject to the Mediation/Arbitration Process. Claims or disputes relating primarily to (a) the validity of the Marks and/or any intellectual property licensed to Developer, and (b) injunctive relief for health and safety issues and violations and any breach of this Agreement that require such relief to active the outcome demanded, may be subjected to court proceedings, at Franchisor's sole election; provided that only the portion of any claim or dispute relating primarily to the validity of the Marks and/or any intellectual property licensed to Developer and requesting equitable relief shall be subject to court action, and any portion of such claim seeking monetary damages will be subject to the Claim Process outlined above.

(v) Intentions of Developer and Franchisor. Developer and Franchisor mutually agree that, notwithstanding any contrary fix provisions of state, federal or other law, and/or any statements in Franchisor's FDD required by a state or the Federal government as a condition to registration or for some other purpose:

(a) all issues relating to arbitration and/or the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(b) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, choice of laws, and shortened periods in which to bring Claims;

(c) Developer and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms; and

(d) the terms of this Agreement (including but not limited to this Section) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the FDD it furnished to Developer.

(b) Venue.

Without in any way limiting or otherwise affecting the obligations of Developer and Franchisor under this Agreement, Developer and Franchisor agree that any litigation will be brought in a court of competent jurisdiction in or closest to Scottsdale, Arizona.

(c) Terms Applicable to Proceedings, Waiver of Trial by Jury, Certain Claims, and Class Action Rights.

With respect to any arbitration, litigation or other proceeding of any kind, Developer and Franchisor:

(i) knowingly waive all rights to trial by jury; and

(ii) will pursue any proceeding on an individual basis only, and not on a class-wide or multiple plaintiff basis.

(d) Limitations on Claims.

Neither party may make claims for emotional distress, whether negligent or intentional, nor punitive damages.

(e) Periods in which to Make Claims.

No arbitration, action or suit (whether by way of claim, counter-claim, cross-complaint, raised as an affirmative defense, offset or otherwise) by either Developer or Franchisor will be permitted against the other, whether for damages, rescission, injunctive or any other legal and/or equitable relief, in respect of any alleged breach of this Agreement, or any other Claim of any type, unless such party commences such arbitration proceeding, action or suit before the expiration of the earlier of:

(i) One (1) year after the date on which the state of facts giving rise to the cause of action comes to the attention of, or should reasonably have come to the attention of such party; or

(ii) Two (2) years after the initial occurrence of any act or omission giving rise to the cause of action, without consideration of the date of discovery.

The above periods may begin to run, and will not be tolled, even though the claiming party was not aware of the legal theories, statutes, regulations, case law or otherwise on which a claim might be based. If any federal, or state law provides for a shorter limitation period than is described in this Section, then such shorter period will govern. The time period for actions for indemnity shall not begin to run until the indemnified party(ies) have been found liable and any time for appeals has run in the underlying action.

(f) Severability of Provisions.

Each provision of this Agreement, and any portion of any provision, is severable (including, but not limited to, any provision related to dispute resolution).

(g) Choice of Laws.

Developer and Franchisor agree on the practical business importance of certainty as to the law applicable to their relationship and its possible effect on the development and competitive position of the System. Therefore, Developer and Franchisor also agree that, except with respect to the applicability of the Federal Arbitration Act, 9 U.S.C. § 1 et seq., and the effect of federal pre-emption of state law by such Act, and except to the extent governed by the United States Trademark Act and other federal laws and as otherwise expressly provided in this Agreement all other matters, including, but not limited to respective rights and obligations, concerning Developer and Franchisor, will be governed by, and construed and enforced in accordance with, the laws of the state of Arizona.

(h) Force Majeure.

Neither party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to, acts of god, war,

civil commotion, fire, flood or casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather, plagues, epidemics, pandemics, outbreaks of disease or any other public health crisis, including quarantine or other restrictions, or governmental regulations superimposed after the fact. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

20. "OWNER", "PERSON" AND "DAYS" DEFINED

References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Developer (or a transferee), or this Agreement and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. "Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity. Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

21. GUARANTY.

The owners of Developer shall sign and enter into the Guaranty attached to this Agreement as Exhibit C.

22 RESERVED.

23. ACKNOWLEDGMENTS.

Developer acknowledges:

(a) That Developer has independently investigated this franchise opportunity and recognizes that, like any other business, the nature of the business of 100% Chiropractic conducts may, and probably will, evolve and change over time.

(b) That an investment in the franchise involves business risks that could result in the loss of a significant portion or all of Developer's investment.

(c) That Developer's business abilities and efforts are vital to Developer's success and the success of Developer's business.

(d) That Developer has not received from Franchisor, and is not relying upon, any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a franchised Business, that any information Developer has acquired from other franchisees regarding their sales, profits, or cash flows was not information obtained from Franchisor, and that Franchisor makes no representation about that information's accuracy.

(e) That Developer has represented to Franchisor, to induce Franchisor's entry into this Agreement, that all statements Developer has made and all materials Developer has given Franchisor are accurate and complete and that Developer has made no misrepresentations or material omissions in obtaining the franchise.

(f) That Developer has read this Agreement and Franchisor's FDD which includes the

Franchise Agreement and understands and accepts that this Agreement's terms and covenants are reasonably necessary for Franchisor to maintain Franchisor's high standards of quality and service, as well as the uniformity of those standards at each franchise location, and to protect and preserve the goodwill of the Marks.

(g) That Franchisor has not made any representation, warranty, or other claim regarding this franchise opportunity, other than those made in this Agreement and Franchisor's FDD, and that Developer has independently evaluated this opportunity, including by using Developer's business professionals and advisors, and has relied solely upon those evaluations in deciding to enter into this Agreement.

(h) That Developer has been afforded an opportunity to ask any questions Developer has and to review any materials of interest to Developer concerning this franchise opportunity.

(i) That Developer has been afforded an opportunity, and has been encouraged by Franchisor, to have this Agreement and all other agreements and materials Franchisor has given or made available to Developer reviewed by an attorney and has either done so or elected not to do so.

(j) That Developer has a net worth which is sufficient to make the investment in the franchise opportunity represented by this Agreement, and Developer will have sufficient funds to meet all of Developer's obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Agreement in duplicate on the day and year first above written.

FRANCHISOR:
TACTIC Franchising, LLC

By: _____
Jason Helfrich, D.C., Manager/Member

DEVELOPER:
_____, a (_____)
(limited liability company)

MEMBERS OF DEVELOPER:

By:

By: _____

By:

By: _____

EXHIBITS:

A. DESCRIPTION OF TERRITORY
B. DEVELOPMENT SCHEDULE
C. GUARANTY

EXHIBIT A
DESIGNATED TERRITORY

Developer can search for a suitable location and open such facility within _____(the "Search Area"), with the approval of the Franchisor as provided in the individual Franchise Agreement, except Developer has no right to open a location within another's franchisee's territory.

The Franchisor shall use an appropriate mapping program to describe the Designated Territory, such as "CalcMaps" or "Maps.i.e,." for example.

Agree to:

_____ Initials of Franchisor's Owner (Dr. Jason Helfrich)

_____Initials of Developer's Owner

EXHIBIT B
DEVELOPMENT AND FEE SCHEDULE

At the dates set forth below, Developer is obligated to have open and in operation the number of 100% Chiropractic Businesses within the area described in Exhibit A-1:

The date that the "Development Period" Commences is the Effective Date of this Agreement which is shown in the first paragraph of this Agreement.

The "Development Schedule" is defined as the total number of 100% Chiropractic Businesses Developer is obligated to have open and in operation by the Dates shown below. The Developer is obligated to open _____ (_) franchised Locations.

#1
#2
#3
#4
#5
(and more if applicable)

Development Fee: $_____

Development Fee Payable on date of this Agreement: $_____

Agree to:

_____ Initials of Franchisor's Owner (Dr. Jason Helfrich)

_____Initials of Developer's Owner

EXHIBIT C
GUARANTY AND ASSUMPTION OF OBLIGATIONS TO AREA DEVELOPMENT AGREEMENT

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given _____, by those guarantors signing this Agreement.

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (the "Agreement") on this date by Tactic Franchising, LLC ("Franchisor") and _____ ("Developer"), each of the undersigned ("Guarantor(s)") personally and unconditionally: (a) guarantees to Franchisor and Franchisor's successors and assigns, for the Term of the Agreement and afterward as provided in the Agreement, that Developer will punctually perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, transfer, and arbitration requirements.

The undersigned consents and agrees that: (1) his or its direct and immediate liability under this Guaranty will be joint and several with Developer and all the other Guarantors; (2) he or it will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Developer or any other person; and (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Developer 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 will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Term of the Agreement.

The undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or it may be entitled.

Notwithstanding any limitation on recovery of the following costs and expenses, if Franchisor is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of Franchisor's costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding.

Guarantors agree to be personally bound by the arbitration obligations under this Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in the Agreement in accordance with its terms including the law to be applied and location of any arbitration or other hearing.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature and has agreed to be bound by its terms.

GUARANTOR(S):

ENTITY GUARANTOR:

By: _____

INDIVIDUAL GUARANTORS:

_____

_____

ENTITY GUARANTOR:

By: _____

INDIVIDUAL GUARANTOR:

_____

EXHIBIT G

CONFIDENTIALITY, NONDISCLOSURE, AND NONCOMPETITION AGREEMENT

CONFIDENTIALITY, NONDISCLOSURE, AND NONCOMPETITION AGREEMENT

THIS AGREEMENT, made and entered into this _____ day of _____, 20____, by and between TACTIC Franchising, LLC, a Delaware limited liability company (hereinafter referred to as **"the Company"**) and _____ _____, whose address is _____ _____ (**"Covenantor"**).

RECITALS

WHEREAS, Covenantor desires to obtain certain confidential and proprietary information from the Company for the purpose of working for, being employed by, or otherwise related to an entity or person's operation of a franchise granted by the Company (**"Company Franchise"**); and

WHEREAS, the Company is willing to provide such information to Covenantor for the limited purpose and under the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties hereto agree as follows:

1. **DEFINITION**. **"Confidential Information"** is used herein to mean all information, documentation and devices disclosed to or made available to Covenantor by the Company, whether orally or in writing, as well as any information, or documentation heretofore or hereafter produced by Covenantor in response to or in reliance on this information and documentation made available by the Company.

2. **TERM.** The parties hereto agree that the restrictions and obligations of Paragraph 3 of this Agreement shall be deemed to have been in effect from the commencement on the _____ day of _____, 20____, of the relationship between Covenantor and the Company or the effective date of this document, whichever is earlier, and continue in perpetuity until disclosed by the Company.

3. **TRADE SECRET ACKNOWLEDGEMENT.** Covenantor acknowledges and agrees the Confidential Information is a valuable trade secret of the Company and that any disclosure or unauthorized use will cause irreparable harm and loss to the Company. Covenantor acknowledges that any information or Documentation produced by Covenantor in response to or in reliance on such information or documentation made available by the Company will be the property of Company.

4. **TREATMENT OF CONFIDENTIAL INFORMATION.** Covenantor agrees that your relationship with the Company does not vest in Covenantor any interest in the Confidential Information, other than the right to use it in the development and operation of the Franchise, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition. Covenantor acknowledges and agrees that the Confidential Information belongs to the Company, may contain trade secrets belonging to the Company, and is disclosed to Covenantor or its use solely on the condition that Covenantor agrees

that Covenantor (a) will not use the Confidential Information in any other business or capacity; (b) will maintain the confidentiality of the Confidential Information during and after the term of this Agreement; (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form; and (d) will adopt and implement all reasonable procedures we may prescribe to prevent unauthorized use or disclosure of the Confidential Information, including restrictions on disclosure to your employees (if applicable), and the use of non-disclosure and non-competition agreements we may prescribe or approve for your (if applicable) shareholders, partners, members, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information. In consideration of the disclosure to Covenantor of Confidential Information, Covenantor agrees to treat Confidential Information in confidence and to undertake the following additional obligations with respect thereto:

(a) To use Confidential Information for the sole purpose of working for, employment by, or other purposes strictly related to the operations of the Company Franchise;

(b) Not to disclose Confidential Information to any third party;

(c) To limit dissemination of Confidential Information to only those of the Company Franchise's officers, directors and employees who have a need to know to perform the limited tasks set forth in Item 4(a) above; and who have agreed to the terms and obligations of this Agreement by affixing their signatures hereto;

(d) Not to copy Confidential Information or any portions thereof; and

(e) To return Confidential Information and all documents, notes or physical evidence thereof, to the Company upon a determination that Covenantor no longer has a need.

5. **NON-COMPETITION**. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among 100% franchises, if employees, contractors, or other persons with access to Confidential Information of 100% franchises were permitted to hold interests in any competitive businesses (as described below). Therefore, during the term of this Agreement, neither you, your owners (if you are an entity), nor any member of your immediate family or of the immediate family of any of your owners (if you are an entity), shall perform services for, or have any direct or indirect interest as a disclosed or beneficial owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in, any business that offers products or services the same as or similar to those offered or sold at 100% franchises. The ownership of one percent (1%) or less of a publicly traded company will not be deemed to be prohibited by this Paragraph.

Unless otherwise indicated in the Franchise Agreement, upon expiration or termination of this Agreement for any reason, you agree not to engage in a competitive business for a period of two (2) years after such termination or expiration within twenty-five (25) miles of the Covenantor's franchise, the Company owned locations (Franchised type business) or any other 100% franchise.

6. **SURVIVAL OF OBLIGATIONS.** The restrictions and obligations of this Agreement shall survive any expiration, termination or cancellation of this Agreement and shall continue to bind Covenantor, his heirs, successors and assigns in perpetuity.

7. **NEGATION OF LICENSES.** Except as expressly set forth herein, no rights to licenses, expressed or implied, are hereby granted to Covenantor as a result of or related to this Agreement.

8. **APPLICABLE LAW.** This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona and any hearing of any type will be held in Scottsdale, Arizona.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed.

"THE COMPANY"	**"COVENANTOR"**
TACTIC FRANCHISING, LLC, **a Delaware limited liability company**	
Jason Helfrich, D.C., Manager	Signature
Vanessa Helfrich, D.C., Manager	Printed Name

EXHIBIT H

LIST OF FRANCHISE OWNERS

(A) List of Current Franchise Owners

FRANCHISEE	LOCATION	PHONE NUMBER
	ALABAMA	
Robert & Jordan LeMoine	5361 Highway 280, Suite 102A Birmingham, AL 35242	(659) 348-3359
	ARIZONA	
Jaclyn & Vincent Pecora	8787 North Scottsdale Road, Suite 106 Scottsdale, AZ 85253	(602) 946-4222
Dr. Jordan Jackson	15620 N. Tatum Boulevard, Suite 130, North Phoenix, AZ 85032	(602) 612-2009
	CALIFORNIA	
Joey Arsanto*	605 E Palomar Street, Suite 1A Chula Vista, CA 91911	
Dr. Stone Thomas, D.C.	1835 Newport Blvd., Suite D-263 Costa Mesa, CA 92627	
Joey Arsanto*	272 N El Camino Real, Ste. C Encinitas, CA 92024	(760) 230-2145
Dr. Brandon Livingood*	25005 Blue Ravine Rd., Ste. 130 Folsom, CA 95630	(916) 932-4838
Mona Panchal & Chirag Patel	1921 Imperial Hwy, Unit B La Habra, CA 90631	
James Punghorst, D.C. & Charly Swanberg, D.C.	32909 Temecula Pkwy., Ste. 106 Temecula, CA 95292	(951) 216-3739
Charla & James Griffith	230 El Cerrito Plaza El Cerrito, CA 94530	(510) 345-3045
Bhaveshkumar Battiwala & Rajkumar Kamaraj	8935 Towne Center Drive, Suite 105 San Diego, CA 92122	(858) 952-5522
	COLORADO	
Ellena Wenger	15400 W 64th St Unit 2 Arvada, CO 80007	(720) 524-8174
Dr. Yahdi Cotto Jorge*	14261 E. Cedar Ave, Unit B Aurora, CO 80012	(303) 367-3432

FRANCHISEE	LOCATION	PHONE NUMBER
Dr. Jeff Setter*	3800 W. 144th Ave, Suite A700 Broomfield, CO 80023	(303) 469-2236
Dr. Rachelle Merchant	62 Founders Parkway, Suite C-2 Castle Rock, CO 80104	(303) 663-3841
Drs. Doug & Angela Kloss	213 E Cache La Poudre St Colorado Springs, CO 80903	(719) 667-1007
Drs. Brea & Seth Ryan*	6049 Barnes Rd Colorado Springs, CO 80922	(719) 637-7900
Drs. Brea & Seth Ryan*	6906 Academy Blvd N Suite 1F Colorado Springs, CO 80918	(719) 358-7422
Dr. Ross Paxia	1699 S Colorado Blvd., Ste. P Denver, CO 80222	(863) 510-8339
Justin, Shannon, David & Lezlie Dow	5096 Central Park Blvd. Denver, CO 80238	(952) 500-2156
Rob & Sue Geller	680 Mitchell Way, Ste. 160 Erie, CO 80516	(303) 817-3232
Drs. Brock & Sydney Martin	4532 McMurry Ave. Suite 120 Fort Collins, CO 80525	(970) 294-4150
Dr. Yahdi Cotto-Jorge*	4849 Thompson Pkwy., Ste. B Johnstown, CO 80534	(970) 669-2003
Dr. Darby Lyles Thomas*	455 S Teller St Lakewood, CO 80226	(303) 922-1007
Brittany & Shawn Johnson	2030 E County Line Rd, Suite G Littleton, CO 80126	(303) 347-1007
Dr. Darby Lyles-Thomas & Brian Thomas*	8055 W. Bowles Ave., Ste. Littleton, CO 80123	(303) 347-1007
Dr. Suzanne Blair Rodgers*	1495 Cipriani Loop Monument, CO 80132	(719) 487-3170
Dr. Tara Breske	10161 S Parker Rd #200 Parker, CO 80134	(303) 607-6066
Dr. Lori Walfoort	1021 N Market Plaza Suite 102 Pueblo West, CO 81007	(719) 547-0237
Dr. Jeff & Kate Setter*	5714 W 89th Ave Westminster, CO 80031	(303) 865-3355
	FLORIDA	
Brad Bunin & Rory Burkitt*	911 E Bloomingdale Ave Brandon, FL 33511	(407) 329-2244
Dr. Will Bevis & Dr. Steve Nutty*	8570 Stirling Rd., Ste. 103, Bldg. B Davie, FL 33324	

FRANCHISEE	LOCATION	PHONE NUMBER
Drs. Brea & Seth Ryan*	4279 South Highway 27, Suite J Clermont, FL 34711	(352) 717-0675
Dr. Bennett & Laura Bayless	15280 Jog Rd., Ste. D Delray Beach, FL	
Ten Squared, LLC*	1605 County Rd. 220 #165 Fleming Island, FL 32003	(904) 712-3548
Dr. Alya Rose Yarbrough	12675 Beach Blvd. Ste. 302 Jacksonville, FL 32246	(904) 659-6664
Dr. Darrin Barry	25609 Sierra Center Blvd. Lutz, FL 33559	(813) 367-2999
Michael Martin, Michael Scharf & Daniel Deutsch*	171 S Orlando Ave., Ste. A Maitland, FL 32751	
Dr. Ron Martin	15989 Preserve Marketplace Blvd. Odessa, FL 33556	(813) 749-7200
Dr. Indira Malpica	11360 Legacy Ave., Ste. 110 Palm Beach Gardens, FL 33410	(561) 295-7778
Greg Tonnesen	2050 St. Johns Pkwy., Ste. 107 Saint Johns, FL 32259	(904) 990-6776
Dr. William Bevis*	1950 Thomasville Rd Suite E Tallahassee, FL 32303	(850) 536-6789
Dr. Pedro Rosado	9906 W Linebaugh Ave Tampa, FL 33626	(813) 510-3986
Michael Martin, Michael Scharf & Daniel Deutsch*	5736 Hamlin Groves Trail Hamlin Plaza Bldg., 2 Suite 154 Winter Garden, FL 34787	(407) 329-2244
Dr. Darrin Barry	18311 Highwoods Preserve Parkway, Unit 1411 Tampa, Florida 33647	(813) 367-2999
Dr. Dorian & Kristen DeHaven	446 Rinehart Road Lake Mary, FL 32746	(407) 268-0066
Brad Bunin & Rory Burkitt*	33131 U.S. Hwy 19-N Palm Harbor, FL 34684	(727) 609-0199
	GEORGIA	
Dr. Marleny Perez	12850 Alpharetta Hwy 9 N Suite 2300 & 2400 Alpharetta, GA 30004	(470) 275-6090
Dr. Nico Staples* & Adriel Araiza	2250 Marietta Blvd, Ste. 303 Atlanta, GA 30318	(470) 355-7166
Dr. Vernette & Chaz Kountz	3999 Austell Rd., Ste. 215 Austell, GA 30106	(404) 793-0704
Drs. Steve Nutty & Vanessa Watkins-Nutty*	3320 Buford Drive, Suite 60Buford Ga, 30519	(770) 614-1009

FRANCHISEE	LOCATION	PHONE NUMBER
Dr. Terry Fourre	9266 Knox Bridge Hwy Ste 200 Canton, GA 30114	
Dr. Justin Gibson	11 Charley Harper Drive, Suite 140 Cartersville, GA 30120	(678) 719-0891
Dr. Daniel & Erica Rowland	515 Peachtree Pkwy., Ste. 601-602 Cumming, GA 30041	(678) 456-8859
Dr. Jeff & Nicole Getbehead, Dr. Jessica Tew	2633 Freedom Parkway Cumming, GA 30041	(470) 789-5700
Dr. Xavier Ortiz Valle	1585 Church Street Suite 665 Decatur GA 30033	
Dr. Samantha March-Howard	4490 Chamblee Dunwoody Road, Suite D Dunwoody, GA 30338	(770) 457-1571
Dr Asia Barclay	1240 Hwy 54 Suite 503/504 Fayetteville, GA 30214	(678) 667-4660
Matthew Hines	890 Dawsonville Hwy, Suite C Gainesville, GA 30501	(470) 646-3322
Dr. Twila Jones	1250 Scenic Hwy Unit 1218 Lawrenceville, GA 30045	(770) 676-9826
Dr. Nico Staples*	125 Ernest W Barrett Pkwy NW #104 Marietta, GA 30066	(678) 324-1016
Dr. Jamie Foster*	3625 Dallas Highway, Suite 850 Marietta, GA 30064	(678) 571-1203
Dr. Raven House-Bourne	3512 Highway 155 N., Suite A2 McDonough, GA 30252	(678) 451-1870
Dr. April Doty	920 Marietta Hwy #300 Roswell, GA 30075	(770) 518-0770
Dr. Zach & Ashley Anthony	15 Thomas Grace Annex Lane Ste 450 Sharpsburg, GA 30277	(770) 703-4011
Dr. Nick Maassen	2990 Eagle Drive Suite 102 Woodstock, GA 30189	(678) 919-7788
	IDAHO	
Drs. David & Taylor Keller	5956 N. Linder Rd., Ste. 120 Meridian, ID 83646	
	IOWA	
Dr. Jolene Powell	4810 Elmore Avenue Ste H Davenport, IA 52807	(563) 214-0742
	KENTUCKY	

FRANCHISEE	LOCATION	PHONE NUMBER
Dr. Christopher Stewart	5851 Scottsville Rd., Ste. 202 Bowling Green, KY 42104	
Dr. Suzanne Blair-Rodgers & Derrick Rodgers*	161 Lexington Green Cir. #B-15 Lexington, KY 40503	
	LOUISIANA	
Dr. James Williams*	2301 E. Prien Lake Road Lake Charles, LA 70601	(337) 477-0600
	MICHIGAN	
Tim Barker, Kyle Kinney, Tim Hoffman, Tyson Garner, & Mike Roeder*	1833 Marketplace Dr. SE Caledonia, MI 49316	(616) 522-5610
Drs Angel & Erika Santos	2321 East Beltline Ave NE, Suite D Grand Rapids, MI 49525	(616) 724.4015
Dr. Joseph Richardson	3134 Rochester Rd. Troy, MI 48083	(248) 918-2264
	MONTANA	
Dr Shayla Swenson	851 Shiloh Crossing Blvd, Suite 4 Billings, MT 59102	(406) 534-6465
	NEW JERSEY	
Dr. Sarah Calta	321 Mount Hope Ave., Ste. K Rockaway, NJ 07866	(973) 453-6848
	NORTH CAROLINA	
Doris & Preston Mullins	340 Sembler Lane Cary, NC 27519	(919) 949-7747
Dr. Steve Nutty and Dr. William Bevis*	2728 W Mallard Creek Church Rd Ste 330 Charlotte, NC 28262	(980) 585-4005
Dr. Marcia Padilla	9864 Rea Road, Suite B Charlotte, NC 28277	(980) 689-2499
Dr. Peter Hummel	19722 One Norman Drive Ste 210 Cornelius, NC 28031	(980) 339-3060
	OKLAHOMA	

FRANCHISEE	LOCATION	PHONE NUMBER
Drs. Seth & Brea Ryan*	6305 E 120th Ct., Unit D Tulsa, OK 74137	(816) 678-3816
Robert Lewis & Jay Peck	13100 North Penn Avenue, Suite C Oklahoma City, OK 73120	(405) 876-8787
	OREGON	
Cecily Tran	4025 Mercantile Dr., Ste. 105 Lake Oswego, OR 97035	
	PENNSYLVANIA	
Dr. Kevin Dotter	575 Horsham Rd., Unit B-11 Horsham, PA 19044	(267) 710-5683
Dr. Joseph Coleman	126 Enclave Dr., Ste. 102 Seven Fields, PA 16046	
	SOUTH CAROLINA	
Dr. Juan Escobar	1750 West Highway 160 W, Suite 8 Fort Mill, SC 29708	(803) 802-5919
Dr. Cody & Carole Ferhman	1025 Woodruff Rd., Ste. A104 Greenville, SC 29607	(864) 686-5009
Dr. Zach Spivey	2118 Hwy 41, Suite 103 Mount Pleasant, SC 29466	
	TENNESSEE	
Dr. Bryan Christoffer*	1309 Panorama Dr Suite # 115 Chattanooga, TN 3721	(423) 541-3771
Dr. Bryan Christoffer* & Courtney Sannes	1738 Dayton Blvd Suite 114 Chattanooga, TN 37405	(423) 800-0100
Dr. Joseph Jet Jackson	2805 Old Fort Pkwy Suite D Murfreesboro, TN 37128	(615) 956-7004
Dr. Bryna Waters & Elliott Sutter	4110 Charlotte Ave Nashville, TN 37209	(615) 942-8254
Dr Josh Martin & Dr Anne Peters	205 Burkitt Commons Ave. Nolensville TN 37135	(615) 283-8078
	TEXAS	
Dr. Brandon Livingood*	1335 E. Whitestone Blvd, #0-300 Cedar Park, TX 78613	(512) 528-5299

FRANCHISEE	LOCATION	PHONE NUMBER
Dr. Shannan Girdy	6326 Yorktown Blvd, Unit 7 Corpus Christi, TX 78414	(361) 717-1412
Dr. Michael Carr	7324 Gaston Ave #118 Dallas, TX 75214	(214) 812-9906
Eddie & Janine Ruiz	117 Whistlestop Way, Unit 3 Fairview, TX 75069	(469) 210-5402
Dr. Norquitta Haynes	4710 Preston Rd., Ste. 308 Frisco, TX 75034	(214) 407-8223
David Yaw*	10123 Louetta Rd, Suite B200 Houston, TX 77070	(832) 843-6632
Gustavo & Alma Chavez	9920 Gaston Rd., Suite 150 Katy, Texas 77494	(346) 347-6233
Ten Squared, LLC*	30129 Rock Creek Dr. Suite 1000 Kingwood, TX 77339	(346) 616-5154
Dr. Easton McCarrell	1925 N Central Expressway Ste. 400 McKinney, TX 75070	(469) 663-1808
Dr. Michael & Patricia Peterson	1921 Preston Rd Ste 2008 Plano TX 75093	(972) 332-0823
Dr. Walter Smith	4802 Lakeview Pkwy Rowlett, TX 75088	(469) 935-9618
Dr. Courtney Prince	2757 E Southlake Blvd., Ste. A110 Southlake, TX 76092	(682) 688-5534
Mark Mamedly	4821 Lj Pkwy, STE 20 Sugar Land, TX 77479-6789	
Binil Vallassery, Sachin Senan & Pravin Tampi	4747 Research Forest Dr, Suite 195 The Woodlands TX 77381	(346) 831-0670
Dr. Alexandra Padilla	461 Laurence Drive Heath, TX 75032	(972) 722-7304
	UTAH	
Dr. Jared & Hayley Hall	682 Main St., Ste. 150 Logan, UT 84321	
Eric & Ashley Hoetzl	1912 W. 1800 N., Ste. B104 Clinton, UT 84015	

(B) List of Franchise Owners Who Have Signed Franchise Agreements but Were Not Yet Open as of the Issuance Date

FRANCHISEE	LOCATION	PHONE NUMBER
Dr. Tiana Branch	GA	TBD
Arndt Haddenbrock	Jackson Township, OH	(330) 826-1126
Chris Corona	Austin Rosedale, TX	TBD
Dr. Kris Barnhill	4411 NW 8th Ave., Ste. C Gainesville, FL 32605	TBD
Dr. Roger Hernandez	844 North Federal Hwy Pompano Beach, FL 33064	TBD
Ryan Mansour & Adam Hartzell*	Fort Worth, TX	TBD
Dr. Robert Schaefer	St. Petersburg, FL	TBD
Matt & Erin Potochnik	Port Orange, FL	TBD
Jammie Floyd	Glen Allen, VA	TBD
Steven Peterson	Phoenix, AZ	TBD
Dr. Brendan Allen	CT	TBD
Dr. James Williams	LA	TBD
Dr. Nate Weeks	Stone Oak, TX	TBD
Dr. Tony Williams	8935 Tamiami Trail North, Unit 64. Naples, FL 34108	TBD
Dr. Annette Medina	FL	TBD
Drs. Danielle & Dustin Reif	Tulsa, OK	TBD
Tim Hoffman, Tim Barker, Tyson Garner, Mike Roeder, & Kyle Kinney*	MI	TBD
Brad Bunin & Rory Burkitt*	FL	TBD
Sandeep Lohia	VA	TBD
Michael Scharf, Daniel Deutsch, & Michael Martin*	FL	TBD
Dr. Jamie & Krissty Foster	MI	TBD
David Yaw	TX	TBD

**Denotes Multi-Unit Franchisee*

EXHIBIT I

LIST OF FRANCHISE OWNERS

THAT HAVE LEFT THE SYSTEM

DURING THE MOST RECENTLY COMPLETED FISCAL YEAR

FRANCHISEE	LOCATION	PHONE NUMBER
Mike & Jen Heim	1765 E Williamsfield Rd., Ste. A100, Gilbert, AZ 85295	(480) 409-8131
Ashwin Karamchandani & Sabina Randhawa	1559 Pacific Coast Highway, Suite 105, Hermosa Beach, CA 90254	(424) 424-7243
Nigel Stobart	3995-C Alton Parkway, Irvine, CA 92606	(949) 374-5377
Martin & Monique Dattilo	1084 N. Ballas Rd., Des Peres, MO 63131	(314) 966-5526
Sean Cook	12021 Dallas Parkway, Suite 200, Frisco, TX 75034	(469) 922-3544
Brenda Sanchez & Jenny Green	30301 Golden Lantern, Ste. C, Laguna Niguel, CA 92677	(949) 994-9905
Brian & Nicole Miller	7071 Warner Ave., Ste. C Huntington Beach, CA 92647	(657) 204-3533
Smita		
Chad Brinkerhoff	24471 Alicia Pkwy Ste 2 Mission Viejo, CA 92691	(949) 994-8495
Tais & Yuri Sudhakar	129-131 W. California Blvd. Pasadena, CA 91105	(626) 529-3153
Smita & Abhijit Hora	1411 Berryessa Rd., Unit 40 San Jose, CA 95133	(669) 263-6971
Andrea & Dana Venenga	9227 E. Lincoln Ave., Ste. 300 Lone Tree, CO 80214	(720) 535-6188
Dr. Scott Davis	4892 S Tamiami Trail Sarasota, FL 34231	(941) 263-5006
Drs. Austin & Mandee Hollen	11030 Medlock Bridge Road #230 Johns Creek, GA 30097	(678) 694-1113
Brad & Kathleen Fraedrich	8 W Lewis Plaza Greenville, SC 29607	(864) 283-6014

EXHIBIT J

GENERAL RELEASE AGREEMENT

GENERAL RELEASE AGREEMENT

THIS GENERAL RELEASE AGREEMENT (**"Release"**) is made and entered into this _____ day of _____, 20____, by and between TACTIC Franchising, LLC, a Delaware limited liability company (**"Franchisor"**), and _____, a _____ (**"Franchisee"**), and each owner of Franchisee and his or her spouse (individually, an **"Owner,"** and collectively, the **"Owners"**) (collectively, Franchisor, Franchisee, and Owners are referred to hereinafter as the **"Parties"**).

WITNESSETH

WHEREAS, the Parties previously entered into that certain Franchise Agreement dated _____, 20____ (the **"Agreement"**), granting Franchisee the right to operate a Franchise Business of Franchisor (**"Franchise"**) for a specific Term (as defined in the Agreement); and

WHEREAS, Franchisee desires to renew the Agreement for an additional Term (as defined in the Agreement); and

WHEREAS, Section 2.4(c) of the Agreement requires Franchisee and each of its Owners and their respective spouses to execute, in favor of Franchisor and its officers, directors, agents, and employees, and Franchisor's affiliates and their officers, directors, agents, and employees, as a condition to renew the Agreement, a general release from liability of all claims that Franchisee, its Owners, and their respective spouses may have against Franchisor, its affiliates, and their respective owners, officers, directors, employees, and agents; and

WHEREAS, the Parties desire to enter into this Release to comply with the requirements of the Agreement and preserve Franchisee's eligibility to renew the Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other valuable consideration, the Parties hereby agree as follows:

1. **Recitals.** The foregoing Recitals are incorporated into and made part of this Release.

2. **Release.** Franchisee, each Owner and his or her spouse, and their present or former affiliated entities, officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through them (the **"Releasing Entities"**), hereby fully release Franchisor and its present or former officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, and Franchisor's affiliates and their respective present or former officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, personal representatives and any spouses of each, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through Franchisor (the **"Released Entities"**) from any

and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Entities may have against the Released Entities as of the date this Release is executed.

3. **Miscellaneous.**

A. This Release contains the entire agreement and representations between the Parties hereto with respect to the subject matter hereof. This Release supersedes and cancels any prior understanding or agreement between the parties hereto whether written or oral, express or implied. No modifications or amendments to this Release shall be effective unless in writing, signed by all Parties.

B. In the event any provision hereof, or any portion of any provision hereof shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining portion of any provision, or of any other provision hereof, and each provision of this Release shall be deemed severable from all other provisions hereof.

C. This Release shall be governed by the laws of the State of Arizona. Any dispute arising under or related to this Release shall be arbitrated in Scottsdale, Arizona.

D. In the event a court action is brought to enforce or interpret this Release, the prevailing Party in that proceeding or action shall be entitled to reimbursement of all of its legal expenses, including, but not limited to, reasonable attorneys' fees and court costs incurred. The prevailing Party shall be entitled to reimbursement of all such expenses both in the initial proceeding or action and on any appeal therefrom.

E. This Release is binding on the Parties hereto and their respective successors, heirs, beneficiaries, agents, legal representatives, and assigns, and on any other persons claiming a right or interest through the Parties.

F. This Release may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original.

G. This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this General Release Agreement as of the day and year first above written.

"**FRANCHISOR"**	**"FRANCHISEE"**
TACTIC FRANCHISING, LLC, **a Delaware limited liability company**	**_____,** **a _____**
By:_____ Jason Helfrich, D.C., Manager	By:_____ Signature
By:_____ Vanessa Helfrich, D.C., Manager	By:_____ Printed Name Its:_____
"OWNER"	**"OWNER"**
_____ Signature	_____ Signature
_____ Printed Name	_____ Printed Name
Percentage of Ownership:_____%	Percentage of Ownership:_____%
Residential Address: _____ _____	Residential Address: _____ _____
"OWNER'S SPOUSE"	**"OWNER'S SPOUSE"**
_____ Signature	_____ Signature
_____ Printed Name	_____ Printed Name
Title/Position with Franchisee: _____	Title/Position with Franchisee: _____

EXHIBIT K-1

BUSINESS ASSOCIATE AGREEMENT (CHIROPRACTOR FRANCHISEES OR WAIVER OF MANAGEMENT AGREEMENT)

100%, Inc. BUSINESS ASSOCIATE AGREEMENT

(for Chiropractor Franchisees or non-Chiropractor Franchisees in Jurisdictions Where a Management Agreement is Not Required or if a Management Agreement Waiver is in Place)

THIS BUSINESS ASSOCIATE AGREEMENT (the "**Agreement**") dated _____, 20_____ ("**Effective Date**") by and between franchisee _____, ("**Covered Entity**") and 100%, Inc, a Colorado corporation (**"Business Associate"**), is entered into in relation to the training services Covered Entity will receive from Business Associate and is for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**).

Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

"Protected Health Information" shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

"Required by Law" shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. "Required by Law" includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

Permitted Uses and Disclosures. Business Associate may use or disclose Protected Health Information received or created by Business Associate pursuant to the Agreement solely for the following purposes:

Business Associate may use or disclose Protected Health Information as necessary to carry out Business Associate's responsibilities and duties under the Billing Agreement.

Business Associate may use or disclose Protected Health Information for Business Associate's proper management and administration or to fulfill any present or future legal responsibilities of Business Associate; provided, however, that if Business Associate discloses Protected Health Information to a third party under this Section II.B, Business Associate shall (i) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

Business Associate may use or disclose protected Information as Required by Law.

Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

Disclosure to Agent. In the event Business Associate disclosed to any agent, including a sub-Contractor, Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity, Business Associate shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Business Associate under this Agreement.

Safeguards. Business Associate shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Business Associate's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Business Associate shall maintain a written security program describing such safeguards, a copy of which shall be available to the Business Associate upon request.

Reporting of Improper Disclosures. Business Associate shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Business Associate becomes aware of such use or disclosure.

Reporting of Security Incidents. Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware. For purposes of this Agreement, "**Security Incident**" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Business Associate shall not have any obligation to notify Covered Entity of any unsuccessful attempts to (i) obtain unauthorized access to Business Associate's information in Business Associate's possession, or (ii) interfere with Business Associate's system operations in an information system, where such unsuccessful attempts are extremely numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information

systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

Breaches of Unsecured PHI. Business Associate shall report in writing to Covered Entity any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Regulations, 45 C.F.R. §164.400 et seq. (each a "**HIPAA Breach**"), within five (5) business days of the date of Business Associate's Discovery, and shall provide Covered Entity with all information required by 45 C.F.R. §164. Business Associate shall provide such information to Covered Entity in the manner required by the Breach Notification Regulations, and as promptly as is possible. Following any Breach of Unsecured Protected Health Information, Business Associate shall: (i) have a continuing duty to inform Covered Entity of any new information learned by Business Associate regarding the Breach of Unsecured Protected Health Information; and (ii) pay reasonable costs for notification and any associated mitigation incurred by Covered Entity, including but not limited to, costs associated with providing notice, printing, mailing, credit monitoring, identity theft protection, call center services, etc. For purposes of this Section VII, the term "Discovery" shall mean the first day on which a HIPAA Breach is known to Business Associate (including any person, other than the individual committing the breach, that is an employee, officer, or other agent of Business Associate), or should reasonably have been known to Business Associate, to have occurred.

Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

Access to protected health information by the Business Associate

Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all Protected Health Information in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all information and records in Business Associate's possession necessary for the Covered Entity to respond to patients or their representatives who seek an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

Within ten (10) days of a request by the Business Associate, Business Associate shall provide to the Covered Entity all protected Health Information in Business Associate's possession necessary for the Business Associate to assist Covered Entity in responding to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's direction, Business Associate shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Business Associate.

Access of HHS. Business Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Covered

Entity, or created or received by Business Associate on behalf of the Covered Entity, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

Term and Termination. This Agreement shall be effective as of the Effective Date and shall be terminated concurrently with the termination of the Billing Agreement, or as otherwise provided in this Agreement.

Return of Protected Health Information Upon Termination. Upon termination of the Agreement, Business Associate shall: (a) if feasible, return or destroy all Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of, the Covered Entity that Business Associate still maintains in any form, and Business Associate shall retain no copies of such information; or (b) if Business Associate reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

Obligations of Covered Entity

Upon request of Business Associate, Covered Entity shall provide Business Associate with the notice of privacy practices that the Business Associate produces in accordance with 45 CFR §164.520.

Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information to which Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

Amendment. If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Covered Entity may, on thirty (30) days written notice to Business Associate, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

Conflicting Terms. In the event any terms of this Agreement conflict with any terms of the Billing Agreement, the terms of this Agreement shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Business Associate Agreement as of the Effective Date set forth above.

"COVERED ENTITY"	**"BUSINESS ASSOCIATE"**
_____,	100%, Inc.
By:_____	By: _____
Printed Name, Title	Jason Helfrich, D.C.

EXHIBIT K-2

BUSINESS ASSOCIATE AGREEMENT (MANAGEMENT COMPANY FRANCHISEES)

100%, Inc. SUBCONTRACTOR BUSINESS ASSOCIATE AGREEMENT
(For Management Company Franchisees)

THIS SUBCONTRACTOR BUSINESS ASSOCIATE AGREEMENT (the "**Agreement**") dated _____, 20_____ ("**Effective Date**") by and between franchisee _____, ("**Business Associate**") and 100%, Inc., a Colorado corporation (**"Subcontractor"**), is entered into in relation to the training services Business Associate will receive from Subcontractor and is for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**). Business Associate has a separate Business Associate Agreement with _____, a [State] [professional corporation/professional service corporation] ("**Covered Entity**") pursuant to which the Protected Health Information of patients treated by Covered Entity are shared with Business Associate to facilitate Business Associate providing management services to Covered Entity.

Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

"Protected Health Information" shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past, present, or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

"Required by Law" shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. "Required by Law" includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

Permitted Uses and Disclosures. Subcontractor may use or disclose Protected Health Information received or created by Subcontractor pursuant to the Agreement solely for the following purposes:

Subcontractor may use or disclose Protected Health Information as necessary to carry out Subcontractor's responsibilities and duties under the Billing Agreement.

Subcontractor may use or disclose Protected Health Information for Subcontractor's proper management and administration or to fulfill any present or future legal responsibilities of Subcontractor; provided, however, that if Subcontractor discloses Protected Health Information to a third party under this Section II.B, Subcontractor shall (i) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Subcontractor of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

Subcontractor may use or disclose protected Information as Required by Law.

Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

Disclosure to Agent. In the event Subcontractor disclosed to any agent, including a sub-subcontractor, Protected Health Information received from, or created or received by Subcontractor on behalf of, the Business Associate, Subcontractor shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Subcontractor under this Agreement.

Safeguards. Subcontractor shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Subcontractor's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Subcontractor shall maintain a written security program describing such safeguards, a copy of which shall be available to the Business Associate upon request.

Reporting of Improper Disclosures. Subcontractor shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Subcontractor becomes aware of such use or disclosure.

Reporting of Security Incidents. Subcontractor shall report to the Business Associate any Security Incident of which it becomes aware. For purposes of this Agreement, "**Security Incident**" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Subcontractor shall not have any obligation to notify Business Associate of any unsuccessful attempts to (i) obtain unauthorized access to Business Associate's information in Subcontractor's possession, or (ii) interfere with Subcontractor's system operations in an information system, where such unsuccessful attempts are extremely numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information

systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

Breaches of Unsecured PHI. Subcontractor shall report in writing to Business Associate any Breach of Unsecured Protected Health Information, as defined in the Breach Notification Regulations, 45 C.F.R. §164.400 et seq. (each a "**HIPAA Breach**"), within five (5) business days of the date of Subcontractor's Discovery, and shall provide Business Associate with all information required by 45 C.F.R. §164. Subcontractor shall provide such information to Business Associate in the manner required by the Breach Notification Regulations, and as promptly as is possible. Following any Breach of Unsecured Protected Health Information, Subcontractor shall: (i) have a continuing duty to inform Business Associate of any new information learned by Subcontractor regarding the Breach of Unsecured Protected Health Information; [and (ii) pay reasonable costs for notification and any associated mitigation incurred by Business Associate or the applicable Covered Entity, including but not limited to, costs associated with providing notice, printing, mailing, credit monitoring, identity theft protection, call center services, etc.] For purposes of this Section VII, the term "Discovery" shall mean the first day on which a HIPAA Breach is known to Subcontractor (including any person, other than the individual committing the breach, that is an employee, officer, or other agent of Subcontractor), or should reasonably have been known to Subcontractor, to have occurred.

Mitigation. Subcontractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Subcontractor of a use or disclosure of Protected Health Information by Subcontractor in violation of the requirements of this Agreement.

Access to protected health information by the Business Associate

Within ten (10) days of a request by the Business Associate, Subcontractor shall provide to the Business Associate all Protected Health Information in Subcontractor's possession necessary for the Business Associate to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

Within ten (10) days of a request by the Business Associate, Subcontractor shall provide to the Business Associate all information and records in Subcontractor's possession necessary for the Subcontractor to provide to Covered Entity in order for Covered Entity to respond to patients or their representatives who seek an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

Within ten (10) days of a request by the Business Associate, Subcontractor shall provide to the Business Associate all protected Health Information in Subcontractor's possession necessary for the Business Associate to assist Covered Entity in responding to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's or Business Associate's direction, Subcontractor shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Subcontractor.

Access of HHS. Subcontractor shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Business Associate,

or created or received by Subcontractor on behalf of the Business Associate, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

Term and Termination. This Agreement shall be effective as of the Effective Date and shall be terminated concurrently with the termination of the Billing Agreement, or as otherwise provided in this Agreement.

Return of Protected Health Information Upon Termination. Upon termination of the Agreement, Subcontractor shall: (a) if feasible, return or destroy all Protected Health Information received from the Business Associate, or created or received by Subcontractor on behalf of, the Business Associate that Subcontractor still maintains in any form, and Subcontractor shall retain no copies of such information; or (b) if Subcontractor reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

Obligations of Business Associate

Upon request of Subcontractor, Business Associate shall provide Subcontractor with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR §164.520.

Business Associate shall provide Subcontractor with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Subcontractor's permitted or required uses and disclosures.

Business Associate shall notify Subcontractor of any restriction on the use or disclosure of Protected Health Information to which Business Associate or Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Subcontractor's use or disclosure of PHI.

Amendment. If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Business Associate may, on thirty (30) days written notice to Subcontractor, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

Conflicting Terms. In the event any terms of this Agreement conflict with any terms of the Billing Agreement, the terms of this Agreement shall govern and control.

IN WITNESS WHEREOF, the parties have executed this Subcontractor Business Associate Agreement as of the Effective Date set forth above.

"BUSINESS ASSOCIATE"	**"SUBCONTRACTOR"**
_____,	100%, Inc.
By:_____	By: _____
Printed Name, Title	Jason Helfrich, D.C.

EXHIBIT L

LINE OF CREDIT PROMISSORY NOTE

LINE OF CREDIT
(Promissory Note)

U.S. $_____ _____(City, State)
Date:_____, 20___

1. FOR VALUE RECEIVED, _____, **D.C. ("Borrower")**, whose address is _____, promises to pay **100%, INC., a Colorado corporation, whose address is 13 S. Tejon Street, Suite 206, Colorado Springs, Colorado 80903 ("Lender")** or order the principal sum of _____ and No/100 U.S. Dollars ($_____), with interest on the unpaid balance at the rate of Ten percent (10%) per annum. Interest will accrue and will be payable only on amounts drawn on the line of credit from the date of disbursement. The entire balance of principal and accrued and unpaid interest will be due and payable in Two (2) years from the first date any funds are advanced.

2. Payments will be calculated so that it is the higher of (i) $1,500 per month or (ii) that monthly payment of interest and principal based on a 24-month amortization of the then outstanding principal, determined each month. Payments received for application to this Note shall be applied first to the payment of late charges and interest accrued at the Default Rate, if any, second to the payment of accrued interest at the Note Rate, and the balance applied in reduction of the principal amount hereof.

3. If any payment required by this Note is not paid within Ten (10) days of the due date and after a five (5) days written notice, then the entire principal amount outstanding and accrued interest thereon shall become due and payable at the option of the Lender. The Lender shall be entitled to collect all reasonable costs and expense of collection and/or suit, including, but not limited to reasonable attorney's fees. Failure to make a payment within 10 days of the due date will result in a fee of the higher of $50 per day that it is late past the 10 day grace period, or (ii) 10% of the amount of the late payment that is due, which fee must be paid by the date the next payment is due.

4. Borrower may prepay the principal amount outstanding under this Note, in whole or in part, at any time without penalty.

5. Borrower and all other makers, sureties, guarantors, and endorsers hereby waive presentment, notice of dishonor and protest, and they hereby agree to any extensions of time or payment and partial payments before, at, or after maturity. This Note shall be the joint and several obligation of Borrower and all other makers, sureties, guarantors and endorsers, and their successors and assigns.

6. Any notice to Borrower provided for in this Note shall be in writing and shall be given and be effective upon (i) delivery to Borrower or (ii) mailing such notice by first-class U.S. Mail, addressed to Borrower at the Borrower's address stated above, or to such other address as Borrower may designate by notice to the Lender. Any notice to the Lender shall be in writing and

shall be given and be effective upon (i) delivery to Lender or (ii) by mailing such notice by first-class U.S. Mail, to the Lender at the address stated above, or to such other address as Lender may designate by notice to Borrower.

"BORROWER"

_____

a _____

By:_____

Its:_____

"BORROWER"

_____

Signature

_____

Printed Name

PERSONAL GUARANTEE

The undersigned jointly and severally agree to unconditionally and personally guarantee any and all obligations to Holder (including, but not limited to, principal, interest, late fees, penalties, attorney fees and costs of collection or enforcement of the payment of this Note), of the Maker under this Note. The undersigned further agree that any action for default under this Note may be brought against either of the undersigned irrespective of whether or not the Maker is a party to such action.

_____

Signature

_____

Printed Name

_____

Signature

_____

Printed Name

This Personal Guarantee is not applicable.

_____

Signature

_____

Printed Name

EXHIBIT M-1

MANAGEMENT AGREEMENT (CATEGORY 1 STATES)

MANAGEMENT AGREEMENT

(For Use in Category 1 States, which includes the following: Arizona, Arkansas, California, Colorado, Georgia, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nevada, New Jersey, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Washington, West Virginia, and Wisconsin)

THIS MANAGEMENT AGREEMENT ("Agreement") is made effective as of _____, 20__ by and between _____, a [State] [corporation/limited liability company], having its principal place of business at _____ (the "Company"), and _____, a _____ [State] [professional corporation/professional limited liability company/professional association/professional service corporation], having its principal place of business at _____ (the "P.C."). [This defined term may be adapted to correspond to the applicable business form (i.e., P.L.L.C.).]

WHEREAS, the P.C. has been incorporated under the laws of the State where it will render chiropractic services to its patients;

WHEREAS, the P.C. desires to establish and operate a chiropractic clinic and provide chiropractic services (the "Clinic") at _____ (the "Premises") and to obtain certain equipment, furnishings, office space and management services for the P.C. from the Company; and

WHEREAS, the Company is ready, willing, and able to provide equipment, furnishings, office space and management services to the P.C. in connection with the Clinic.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Representations and Warranties.

Representations and Warranties of the Company. The Company represents and warrants to the P.C. that at all times during the term of this Agreement, the Company is a [corporation/limited liability company] duly organized, validly existing and in good standing under the laws of the State of _____.

Representations and Warranties of the P.C. The P.C. represents and warrants to the Company that at all times during the term of this Agreement:

The P.C. is a [professional corporation/professional limited liability company/professional association/professional service corporation] duly organized, validly existing and in good standing under the laws of the State of _____ and is duly licensed and qualified under all applicable laws and regulations to engage in the practice of chiropractic medicine in the State of _____.

Each of the professionals employed or engaged by the P.C. to render services at the Clinic is duly licensed, certified, or registered, to render the professional services at the Premises, for which he or she has been employed or engaged by the P.C.

The P.C. will establish and enforce procedures to ensure that proper and complete patient records are maintained regarding all patients of the P.C. as required by Section 4.9 below, applicable law and by the rules and regulations of any applicable governmental agency (collectively "Laws").

Furnishings and Equipment, Use of Premises, Trade Name.

Title and Maintenance. During the term of this Agreement, the Company grants to the P.C. the exclusive right to use the equipment and furnishings specified in Exhibit A hereto, and as amended (the "Equipment and Furnishings"), on the terms and conditions hereinafter set forth. The P.C. shall use, and shall cause its Providers (as defined in Section 4.2, below) to use, the Equipment and Furnishings in connection with the Clinic in a manner that the P.C. determines is in the best interest of its patients. Title to the Equipment and Furnishings, including any improvements shall be and remain in the Company at all times. The P.C. agrees to take no action that would adversely affect the Company's title to or interest in the Equipment and Furnishings. During the term of this Agreement, the P.C. shall be responsible for maintaining the Equipment and Furnishings in good condition and repair, reasonable wear and tear from normal use excepted, including, where necessary, the replacement or substitution of parts. All maintenance, repair and replacement, if necessary, of the Equipment and Furnishings shall be performed by the Company on behalf of the P.C., in accordance with Section 3.1 of this Agreement. The P.C. agrees to assume the cost and expense of all supplies used in connection with the Equipment and Furnishings, and the P.C. agrees to make the Equipment and Furnishings available for inspection by the Company or its designee at any reasonable time.

Liens, Encumbrances, Etc. The P.C. shall not directly or indirectly create or suffer to exist any mortgage, security interest, attachment, writ or other lien or encumbrance on the Equipment and Furnishings, and will promptly and at its own expense, discharge any such lien or encumbrance which shall arise, unless the same shall have been created or approved by the Company.

Use of Premises. The Company will provide as a license to use space, the use of the Premises in which the P.C. shall conduct and provide its chiropractic services at the Clinic during the term of this Agreement. This Agreement shall not be construed as a lease or sublease of the Premises, and shall not be deemed to create a relationship between a landlord and a tenant. The P.C. shall have no rights as a lessee of or any other possessory or occupancy rights to or any interest in the Premises except for the right to perform professional chiropractic services on the Premises as expressly set forth in this Agreement.

Return of Equipment and Furnishings. Upon the termination or expiration, as applicable of this Agreement, the Company shall retain all Equipment and Furnishings and the P.C. will relinquish control thereof free and clear of all liens, encumbrances, and right of others as expressly set forth in this Agreement.

Assignment. The P.C. shall not assign any of its rights hereunder to the use of the Equipment and Furnishings to any third party, without the prior written consent of the Company.

Reporting. In addition to P.C.'s right to approve the initial Equipment and Furnishings identified in Exhibit A, the P.C. shall advise the Company with respect to the selection of additional and replacement Equipment and Furnishings for the Clinic, and with respect to any proposed additions or improvements to the Equipment and Furnishings. The P.C. may refer the patient for consultation or treatment elsewhere, if the P.C. deems such to be in the best interest of its patient(s). The P.C. hereby approves the use of the Equipment and Furnishings identified in Exhibit A hereto. The Equipment and Furnishings in Exhibit A will be furnished by the Company at no additional expense to the P.C. However, if P.C. chooses to use different Equipment and Furnishings that is still therapeutic in nature, this will be treated as an additional expense of the P.C. The P.C. will ensure that all Equipment and Furnishings are used in a safe and appropriate manner. The P.C. shall promptly notify the Company of any defective Equipment or Furnishings.

Use of Trade Name. The Company shall provide P.C. with a revocable license to use the name "100% Chiropractic®" for the Clinic (the "Name"), and the Name shall be used by the P.C. in conformity with all applicable Laws.

General Responsibilities of the Company. Except as otherwise provided in this Agreement, the Company shall have responsibility for general management and administration of the day-to-day business operations of the P.C., exclusive of chiropractic, professional and ethical aspects of the P.C.'s chiropractic Clinic, in all respects subject to applicable Laws.

Maintenance, Repair and Servicing of Equipment and Furnishings. During the term of this Agreement, the P.C. engages the Company and the Company agree to perform or arrange for the performance of, all maintenance, repair, and servicing as may be necessary for the Equipment and Furnishings to be maintained in good working condition, reasonable wear and tear excepted.

Administrative and Management Services.

The Company shall provide, or arrange for the provision of, certain business, management and administrative services of a non-clinical nature necessary or appropriate for the proper operation of the P.C. (the "Management Services"), as described below. The Company shall be the exclusive provider to the P.C. of such Management Services. The P.C. shall not obtain any Management Services from any source other than the Company, except with the prior written consent of the Company. Subject to P.C.'s oversight and ultimate authority over all issues, Company is expressly authorized to take such actions that Company, in the exercise of reasonable discretion, deems necessary and/or appropriate to fulfill its obligations under this Agreement and meet the day-to-day requirements of P.C., including the responsibility and commensurate authority to provide full service management services for P.C. as set forth in this Agreement, including supplies, support services, third party contracting, quality assurance, educational activities, risk management, billing and collection services, management, administration, financial record keeping and reporting, and other business services as provided in this Agreement. The Company is authorized to contract with third parties, including one or more of its affiliates, for the provision of services, Equipment and Furnishings and personnel needed to

perform its obligations under this Agreement. Any contracts with such affiliates shall be arms' length agreements on terms reasonably available from reasonably efficient competing vendors. Nothing herein shall be construed to interfere with P.C.'s or its licensed providers' professional judgment or actions with respect to the diagnosis and treatment of any of their patients.

The Management Services to be provided by the Company for the Clinic shall include, but not be limited to, the following:

business planning;

financial management, including causing royalty payments to be made to the Franchisor, annual financial statements to be prepared for the P.C., providing to the P.C. the data necessary for the P.C. to prepare and file its tax returns and make any other necessary governmental filings, paying on behalf of the P.C., the P.C.'s Monthly Obligations (as defined in Section 4.4(d) hereof);

bookkeeping, accounting, and data processing services;

maintenance of patient records owned and maintained by the P.C. in accordance with procedures established by the P.C. pursuant to Section 1.2(c) above;

materials management, including purchase and stock of office supplies and maintenance of Equipment and Furnishings and facilities, subject to the P.C.'s approval of the selection of chiropractic equipment for the Clinic;

administering or causing to be administered any welfare, benefit or insurance plan or arrangement of the P.C.;

coordinate human resources management, including primary direction of recruitment, training, and management of all Administrative Staff (defined in Section 3.3 below);

billing to and collection from all payors, on behalf of and in the name of the P.C., accounts receivable and accounts payable processing, all in accordance with the P.C.'s instructions and final approval made in consultation with the Company;

administering utilization, cost and quality management systems that are established in accordance with Section 4.3;

developing a marketing program which includes the design, procurement, and monitoring of electronic and print advertising of the Clinic, in conformity with the requirements of applicable Laws;

arrange for the P.C. to obtain and maintain malpractice and other agreed upon insurance coverages;

providing administrative services in connection with the P.C.'s advertising, marketing and promotional activities of the Clinic, subject to the P.C.'s approval of

the materials used to advertise, market and promote the Clinic and provided, however, that such advertising, marketing, and promotional activities shall not include efforts related to recruit patients for the Clinic or the P.C.;

arranging for necessary legal services except with respect to any legal dispute between the P.C. and the Company;

performing credentialing support services such as application processing and information verification;

developing and providing OSHA compliance programs and consulting;

developing and providing P.C. with consulting services regarding pricing and membership plan strategies for the Clinic, subject to the requirements of applicable provisions of Law. Notwithstanding the foregoing, the parties expressly acknowledge and agree that all policies and decisions relating to pricing, credit, refunds and warranties shall be established in compliance with applicable Laws; and

to the extent not included in any of the services listed in Section 3.2(b)(i) – (xvi) providing:

relationship development with Chiropractic schools;

personnel training and orientation in non-chiropractic areas;

monitoring of industry developments and strategic planning;

payroll processing;

public relations;

facilities management;

coordination and negotiation of clinic financing efforts;

clinic remodels;

continuing education programs;

client scheduling design software;

coordinate client service and complaint handling, provided that any clinical complaints shall be directed to the P.C. or its providers;

clinic management analysis;

internal publications development and distribution;

conference and travel coordination; and

administration of committees.

The Company shall not provide any of the following services to the Clinic:

the assignment of Providers to treat patients, including determining how many patients a chiropractor must see in a given period or how many hours a chiropractor must work;

assumption of responsibility for the care of patients including the treatment options available;

serving as the party to whom bills and charges are made payable;

determining what diagnostic tests are appropriate for a particular condition;

determining the need for referrals to or consultation with another healthcare provider; and

any activity that involves the practice of chiropractic medicine and the provision of chiropractic services or that would cause the Clinic to be subject to licensure under applicable laws and regulations in _____ [State].

Administrative Staff. Subject to P.C.'s oversight and ultimate authority (including ratification of all non-chiropractic personnel who indirectly are involved in patient care (the "Non-Chiropractic Personnel")), Company may recommend for employment and termination the employment of all Non-Chiropractic Personnel as Company will deem necessary or advisable ("Administrative Staff"), and will be responsible for the supervision, direction, training and assigning of duties of all Non-Chiropractic Personnel, with the exception of activities, if any, carried on by Non-Chiropractic Personnel which must be under the direction or supervision of licensed chiropractors in accordance with applicable law and regulations. Unless otherwise specifically agreed in writing, Company shall administer compensation, benefits, and scheduling of all Non-Chiropractic Personnel providing any services for or on behalf of P.C., and such personnel will be employees or independent contractors employed or engaged by Company.

Patient Records. The Company shall preserve the confidentiality of any patient records that it stores on behalf of the P.C., including the restriction of access to such records by its own personnel to only those whose specific job description requires access to such information on a routine basis.

Performance Standards. All Management Services provided hereunder shall be subject to commercially reasonable performance standards agreed to by the parties from time to time.

Responsibilities of the P.C.

Professional Services. During the term of this Agreement, the P.C. shall be solely responsible for all aspects of the diagnostic, therapeutic and related professional services delivered by the Providers at the Clinic, and for the selection, training, professional direction, supervision, employment or engagement, and termination of all Providers. Company will provide assistance to P.C. in recruiting and evaluating prospective chiropractors and support personnel as employees or independent contractors of P.C. P.C. will make all decisions relating to hiring, training, managing, and termination of all Providers (defined in Section 4.2). At the request of P.C., Company will administer compensation, benefits, and scheduling of Providers on behalf of the P.C. as directed by P.C., which shall exclusively oversee and direct all clinical and patient care activities. In addition, the P.C. shall be solely responsible for the following determining what diagnostic tests are appropriate for a particular condition; determining the need for referrals to or consultation with another chiropractor/specialist; and the overall care of the patient, including the treatment options available.

Time Commitment. The P.C. shall employ or engage and make available to the Clinic, sufficient chiropractors and other professionals, authorized to engage to the extent permitted by law in the chiropractic services provided by the Clinic (collectively referred to as "Providers") in adequate numbers to meet the chiropractic needs of the patients of the Clinic. The P.C. shall establish the Clinic's hours of operation and provide such services during normal business hours, as established in consultation with the Company. The P.C. shall ensure that all work and coverage schedules meet the needs of patients of the P.C. in a competent, timely and responsive manner. The P.C. shall determine how many patients a chiropractor must see in a given period of time or how many hours a chiropractor must work.

Quality of Service. The P.C. shall establish and enforce procedures to assure the appropriateness, necessity, consistency, quality, cost effectiveness and efficacy of all chiropractic services provided to patients of the Clinic. The P.C. shall require each of its Providers who are licensed, registered or certified to perform professional services to participate in and cooperate with any utilization management, quality assurance, risk management, patient care assessment, continuous quality improvement, accreditation or other similar program or study to review the performance such Providers as may be required by the P.C., governmental agencies, professional review organizations, accrediting bodies, or health care entities or other third parties with which the P.C. may contract or affiliate.

Billing and Collection.

The Company shall bill and use its best efforts to collect for all services rendered by the P.C. and its Providers hereunder and for all access and membership fees as agent for the P.C. in accordance with P.C.'s instructions and final approval made in consultation with the Company regarding coding and billing procedures for professional services provided by the P.C. All of the payments with respect to such services shall be made by cash or by check, electronic funds transfer, or credit card payable to the P.C. and shall be deposited into a bank account of the P.C. (the "Concentration Account") with a bank mutually agreed to by the Company and the P.C. (the "Account Bank"). The Company shall prepare and make available to the P.C. an accounting of receipts attributable to services provided by the P.C., and receipts attributable to services provided by the Company.

The P.C. shall, and shall cause its Providers to, promptly endorse and deliver to the Company all payments, notes, checks, money orders, remittances and other evidences of indebtedness or payment received by the P.C. or its Providers, with respect to all accounts, contract rights, instruments, documents, or other rights to payment from time to time arising from the rendering of chiropractic services by the P.C. and its Providers, for access or membership fees, or otherwise relating to the business of the P.C., together with any guarantees thereof or securities therefore which are generated during the term of this Agreement. The Company is hereby granted a special power of attorney with respect to the Concentration Account and shall have the power and authority to deposit into, and withdraw funds from, all such accounts as may be required to pay P.C.'s Expenses (as defined in Section 4.13 below). The P.C. shall notify the banking institution of the Concentration Account, and shall cause one or more employees or agents designated by the Company to be listed as a signatory on that account.

With respect to funds deposited in the Concentration Account (the "P.C.'s Revenues"). The Company shall separately and accurately account for the receipt, use, disposition, and interest gained on the P.C.'s Revenues.

On at least a monthly basis, the Company shall prepare an invoice to the P.C. describing the expenses of the P.C. that the Company has paid. The Company shall pay all of the current month's P.C. Expenses, as defined in Section 4.13 hereof and the current month's Management Fee as defined in Section 5 hereof (collectively, the "P.C.'s Monthly Obligations"). In the event that the P.C.'s Revenue (including the current month's interest earned on the P.C.'s Revenue) is insufficient to pay fully the P.C.'s Monthly Obligations, the Company may advance to the P.C. an amount equal to the deficit (the "Deficit Advance") by depositing such amount in the Concentration Account. The amounts of the Deficit Advances shall accrue and the P.C. shall be obligated to pay such amounts upon the termination of this Agreement. In the event that there is a monthly profit that exceeds the P.C.'s Monthly Obligations (the "Monthly Profits"), then the Company shall use such amount to repay any prior Deficit Advances made by the Company (if any) together with interest accrued thereof.

Licensure. The P.C. shall ensure that each Provider associated with P.C. maintains, if applicable, an unrestricted license to practice chiropractic or other health care profession, or to be engaged in his or her particular field of expertise in the State of [_____] and, to the extent that Providers provide professional services in other states, that such individuals maintain comparable unrestricted licensure in such other jurisdictions. Each Provider shall have a level of competence, experience and skill comparable to that prevailing in the community where such Provider provides professional services.

Continuing Education. The P.C. shall ensure that each Provider shall obtain the required continuing professional education for his or her specialty in each state where such Provider provides professional services and shall provide documentation of the same to the Company.

Disciplinary Actions. The P.C. shall, and shall cause each of its Providers to, disclose to the Company during the term of this Agreement: (i) the existence of any proceeding against any Provider instituted by any plaintiff, governmental agency, health care facility, peer review organization or professional society which involves any allegation of substandard care or

professional misconduct raised against any Provider, and (ii) any allegation of substandard care or professional misconduct raised against any Provider by any person or agency during the term of this Agreement.

Outside Activities.

The P.C. and its Providers shall devote their best efforts to fulfill their obligations hereunder. The P.C. and its Providers shall not engage in any other professional activities, whether or not such business activity is pursued for gain, profit, or other pecuniary advantage, which would interfere with the performance of the P.C.'s duties hereunder, without the prior written consent of the Company, which consent shall not be unreasonably withheld. The P.C. shall assure that each of its Providers shall not provide chiropractic services other than on behalf of the P.C., unless such activity is disclosed in writing to and is expressly authorized in writing by the Company. In the event that any of the P.C.'s Providers shall violate any provision of this Section 4.8(a), the P.C.'s President shall immediately notify the Company of such activity and the P.C. shall immediately take all necessary and appropriate corrective action to cease such activity.

Except as otherwise approved in advance by the Company, and to the extent permitted by law, all amounts collected by the P.C. for chiropractic services, regardless of the source of payment, shall be assigned and belong to the Company including honoraria, royalties, revenues from patents, copyrights or other licensable intellectual property, revenues from teaching and supervising licensees-in-training and revenues from other professional activities ("Outside Income").

Patient Records.

The P.C. and its Providers shall maintain, in a timely manner, complete, accurate and legible records for all patients of the Clinic, and all such patient records shall be the property of the P.C. The P.C. and its Providers shall comply with all applicable laws, regulations and ethical principles concerning confidentiality of patient records.

The P.C. shall own and control all patient chiropractic records, including determining the contents thereof. The P.C. shall grant the Company access to the information contained in the patient records owned by the P.C. and completed by the Providers to the extent that access to such information is permitted by applicable Laws and is required in connection with the Company's administrative responsibilities hereunder. The P.C. agrees that, upon the termination of this Management Agreement (as permitted by applicable laws), the P.C. will transfer the original, or at P.C.'s discretion, complete copies of all of the P.C.'s patient records to a successor P.C. or a licensed chiropractor identified by the Company who will provide chiropractic services at the Premises or ensure that such records are transferred to a successor P.C. that will provide chiropractic services at the Premises. Notwithstanding the foregoing, such successor P.C. or chiropractor shall be obligated to transfer a patient's record in accordance with the patient's request.

As required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the parties shall comply with the terms of the Business Associate Agreement attached as Exhibit B of this Agreement.

Credentialing. The P.C. shall participate and cooperate in and comply with any credentialing program established from time to time by the Company.

Fees for Professional Services. The P.C. shall be solely responsible for legal, accounting, and other professional service fees it incurs, except as otherwise provided herein.

Standards of Care. The P.C. and its Providers shall render services to patients hereunder in a competent and professional manner, in compliance with generally accepted and prevailing standards of care and in compliance with applicable statutes, regulations, rules, policies and directives of federal, state and local governmental, regulatory and accrediting agencies.

P.C. Expenses. The following expenses of the P.C. that are related to the Clinic ("P.C. Expenses") shall be paid by the Management Company, on behalf of the P.C. and at the direction of the P.C.:

Salaries, wages, benefits, (including health, life, and disability insurance coverage and all contributions under employee benefit plans), vacation and sick pay, employment and payroll taxes; and the cost of payroll administration and administration of benefits, for Providers employed by the P.C.;

Professional Corporation Fee paid to the Owner of the P.C. for clinical oversight of the Providers providing services at the Clinic totaling $500 per month for the first three months of the management relationship, and thereafter $1,200 per month, or $14,400 per year, which Professional Corporation Fee may be further adjusted annually by the parties to reflect the scope of the clinical oversight performed and fair market value, and any such adjustment in the Professional Corporation Fee shall be confirmed by written agreement of both Parties;

Cost of all new chiropractic and non-chiropractic Equipment and Furnishings and supplies obtained for use in the operation of the Clinic, and depreciation cost of all capital Equipment and Furnishings and items obtained for use in the operation of the Clinic in accordance with federal tax depreciation schedules for such equipment and items;

Expenses of comprehensive professional liability insurance, professional liability insurance for each Provider of the P.C. to the extent the P.C. is required to pay for such insurance pursuant to the terms of the Provider's employment agreement, comprehensive general liability insurance and property insurance coverage for the P.C.'s facility and operations, and worker's compensation and unemployment insurance coverage for all P.C. employees;

Interest expense on indebtedness (including capitalized leases) incurred with respect to debt obligations to fund the operation of, or the acquisition of capital assets for, the P.C.;

State and local business license taxes, professional licensure and board certification fees, sales and use taxes, income, franchise and excise taxes and other similar taxes, fees and charges assessed against the P.C. or the Providers;

Expenses incurred in the course of recruiting chiropractors, chiropractic receptionists and other professional staff to work for and/or join the P.C.; and

Any federal income taxes, including the cost of preparation of the annual income tax returns of the P.C. and its Providers.

The P.C. shall promptly notify the Company of all P.C. Expenses incurred, and shall provide the Company with all invoices, bills, statements and other documents evidencing such P.C. Expenses.

Management Fee.

In consideration of the Company (i) licensing to the P.C. the use of Equipment and Furnishings and the Name; (ii) permitting the P.C. to operate the Clinic and perform professional chiropractic services at the Premises; (iii) granting to the P.C. the right to use the personal property and leasehold improvement at the Premises; and (iv) providing all other services described in this Agreement, the P.C. hereby agrees to pay to the Company a monthly Management Fee that shall be comprised of the following components:

☐ A monthly management fee that shall be equal to **$[__]; and**

☐ An amount equal to **[__]%** of the P.C.'s Revenues, less actual cash refunds, returns, discounts, dishonored checks, contractual adjustments and allowances, all as determined in accordance with generally accepted accounting principles applied consistently throughout the period measured.

The Management Fee may be adjusted annually by the parties to reflect changes in the scope and/or nature of the Management Services and the fair market value thereof. Any such adjustment in the Management Fee shall be confirmed by written agreement of both Parties. The Management Fee shall be paid in accordance with Section 4.4(d). In the event that in any month the P.C.'s Revenue (including the current month's interest earned on the P.C.'s Revenue) is insufficient to pay fully the monthly Management Fee, the unpaid amount of the Management Fee shall accrue each month, and the P.C. shall be obligated to pay such amount until fully paid in accordance with Section 4.4(d). The parties agree that the Management Fee represents the fair market value of the items and services provided under this Agreement. Further, the parties acknowledge that the Management Fee is not based upon, or in no way take into account, the volume or value of referrals to the Clinic or is intended to constitute remuneration for referrals, or the influencing of such referrals, to the Clinic.

The portion of the Management Fee (i) allocable to the P.C.'s use of the Equipment and Furnishings and Name has been determined by the parties to equal the fair market value of the use of the Equipment and Furnishings and Name, respectively, and (ii) allocable to the provisions of all other services hereunder has been determined by the parties to equal the fair market value of such other services without taking into account the volume or value of any referrals

of business from the Company (or its affiliates) to the P.C. or the Providers, or from the P.C. or the Providers to the Company (or its affiliates).

The Manager may be eligible to be considered for annual bonus payments ("Performance Bonuses") by the P.C. during the Term at the discretion of the P.C. based on factors to be determined from time to time in relation to the services, benefits and efficiency provided to the P.C. by the Manager under this Agreement.

The Management Fee and any Performance Bonuses paid by the P.C. to the Company hereunder has been determined by the parties through good-faith and arm's length bargaining. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of, or recommending referral of, patients by the P.C. to the Company (or its affiliates) or by the Company (or its affiliates) to the P.C. In addition, the Management Fee charged hereunder does not include any discount, rebate, kickback, or other reduction in charge, and the Management Fee charged hereunder is not intended to be, nor shall it be construed to be, an inducement or payment for referral, or recommendation of referral, of patients by the P.C. to the Company (or its affiliates) or by the Company (or its affiliates) to the P.C.

Regulatory Matters.

The P.C.'s Providers shall at all times be free, in their sole discretion, to exercise their professional judgment on behalf of patients of the P.C. No provision of this Agreement is intended, nor shall it be construed, to permit the Company to affect or influence the professional judgment of any member of the P.C.'s Providers. To the extent that any act or service required or permitted of the Company by any provision of this Agreement may be construed or deemed to constitute the practice of chiropractic, the ownership or control of a chiropractic practice, or the operation of a clinic, said provision of this Agreement shall be void ab initio and the performance of said act or service by the Company shall be deemed waived by the P.C.

The parties agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to comply with the requirements of applicable Laws and with all ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any federal, state, municipal, local or other lawful authority applicable to the Clinic, and of any insurance company insuring the Clinic or the parties against liability for accident or injury in or upon the premises of the Clinic.

Insurance.

General Comprehensive Liability Insurance. During the term of this agreement, the Company shall obtain and maintain a comprehensive general liability insurance policy and such other insurances as may be required, in such amounts, with such coverages and with such companies as the Company may reasonably determine to be necessary and appropriate, as required by law or as are usual and customary. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional named insureds, and provide for third (30) days' prior

written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Equipment Insurance. The Company shall cause to be carried and maintained, at its own expense, insurance against all risks of physical loss or damage to the Equipment and Furnishings in an amount not less than the original purchase price or the replacement cost with like kind and quality at the time of loss, with such companies and as the Company shall reasonably determine, to the extent such coverage is not already provided under the general liability insurance policy required under Section 7.1. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional named insureds, and provided for thirty (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Malpractice Insurance. During the term of this Agreement, the P.C. shall arrange for the P.C. to obtain and maintain, at the P.C.'s expense, professional liability insurance covering the P.C. and its Providers, with limits of not less than [one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) in the aggregate], which the parties hereby agree are adequate amounts of coverage, or such other amount as required by law. In the event the P.C. has a "claims made" form of insurance in effect at any time during the term of this Agreement, the Company shall obtain, at P.C.'s expense, full "tail" coverage to cover any event that may have occurred during the term of this Agreement. The P.C. shall provide to the Company any information with respect to the P.C. or the Providers necessary for the Company to secure such professional liability insurance. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional name insureds, and provide for thirty (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Indemnification by the P.C. The P.C. hereby agrees to indemnify, defend, and hold harmless the Company, and each of the Company's officers, directors, shareholders, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part out of any breach by the P.C. of this Agreement or any acts or omissions by the P.C. or its Providers in their performance of this Agreement, including, but not limited to, negligence of the P.C. or its Providers arising form or related to any of their professional acts or omissions to the extent that such is not paid or covered by the proceeds of insurance. The P.C. shall immediately notify the Company of any lawsuits or actions, or any threat thereof, against P.C. or any Provider, or the Company, which may become known to the P.C.

Indemnification by the Company. The Company hereby agrees to indemnify, defend, and hold harmless the P.C., and each of its officers, managers, members, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part, out of any breach by the Company of this Agreement or any willful or grossly negligent act or omission by the

Company in its performance of this Agreement, to the extent that such is not paid or covered by the proceeds of insurance. The company shall immediately notify the P.C. of any lawsuits or actions, or any threat thereof, against the Company, P.C. or any Provider that may become known to the Company.

Actions Requiring Company's Consent. As inducement to Company to enter into this Agreement, P.C. agrees that it shall not take certain governance actions without its designated Manager's consent. Therefore, notwithstanding anything in this Agreement to the contrary, P.C. agrees that the following actions by P.C. shall be void unless undertaken with the prior written consent of Manager:

The issuance, reclassification, recapitalization, redemption of capital stock of P.C. or of any security convertible into shares of capital stock of P.C., without prior consultation and written consent of Manager;

The payment of any dividends on the capital stock of P.C. or other distribution to the shareholders of P.C., without prior consultation and written consent of Manager;

Any consolidation, conversion, merger or stock/share exchange of P.C. without prior consultation and written consent of Manager;

Any sale, assignment, pledge, lease, exchange, transfer or other disposition (without prior consultation and written consent of Manager), excluding salaries, but including without limitation a mortgage or other security device, of assets, including P.C.'s accounts receivable, constituting in the aggregate five percent (5%) or more (in any transaction or series of transactions over any consecutive five (5) year period) of the total assets of P.C. at the end of its most recent fiscal year ending prior to such disposition; and

The dissolution or liquidation of P.C.

Non-Solicitation.

To the extent permitted by applicable Laws, the P.C. shall not, during the term of this Agreement and for a period of one (1) year from the date of termination or expiration of this Agreement, and shall ensure that its Providers shall not, during the term of their employment by the P.C. and for a period of one (1) year thereafter, solicit for employment, verbally or in writing, employ or offer employment to any employee or former employee of the Company or its affiliates, including, but not limited to any personnel provided by the Company to P.C. hereunder, without the prior written consent of the Company.

To the extent permitted by law, during the term of any Provider's employment with the P.C. and for a period of one (1) year after the termination or expiration of any such Provider's employment agreement with the P.C., such Provider shall not, without the express written consent of the P.C., solicit verbally or in writing, any patient or former patient of the P.C., or otherwise interfere with such patient or former patient's relationship with the P.C. in connection with the provisions of chiropractic services. Upon termination of any Provider's employment with the P.C., the P.C. shall promptly notify the Provider's patients of how and where to contact the Provider.

In the event that any of the P.C.'s Providers shall violate any provision of this Section 11, the P.C.'s President shall immediately notify the Company of such activity and the P.C. shall immediately take all necessary and appropriate corrective action.

Company agrees to waive up to five thousand dollars ($5,000) in outstanding Management Fees owed by the P.C. at termination of this Agreement, pursuant to Section 5(a), as consideration for the non-solicitation provisions set forth in Section 11(a) and (b) above.

Proprietary Rights. The P.C. recognizes and acknowledges that all records, files, reports, protocols, polities, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Company (or its affiliates) in rendering services hereunder, or relating to the operations of the company (or its affiliates), belong to and shall remain the property of the Company, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Company's business ("Confidential Information"). The P.C. shall not, and shall assure that each of its Providers shall not, during or after the term of this Agreement, disclose any Confidential Information of the Company (or its affiliates), or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Company or its respective affiliates. Nothing herein is intended to refer to a patient health or treatment records.

Enforcement.

The P.C. recognizes and acknowledges that all records, files, reports, protocols, policies, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Company (or its affiliates) in rendering services hereunder, or relating to the operations of the Company (or its affiliates), belong to and shall remain the property of the Company, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Company's business ("Confidential Information"). The P.C. shall not, and shall assure that each of its Providers shall not, during or after the term of this Agreement, disclose any Confidential Information of the Company (or its affiliates), or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Company or its respective affiliates.

All works, discoveries and developments, whether or not copyrightable, relating to the Company's present, past or prospective activities, services and products ("Inventions") which are at any time conceived or reduced to practice by P.C. and/or any of its Providers, acting alone or in conjunction with others, in connection with the Company's management of the P.C. or, during the course of the P.C.'s employment or engagement of Providers (or, if based on or related to any Confidential Information, made by P.C. and/or any Provider during or after such management by the Company or employment or engagement by the P.C.) and all concepts and ideas known to P.C. or any Provider at any time during the Company's management of the P.C. which relate to the Company's present, past or prospective activities, services and products ("Concepts and Ideas") or any modifications thereof held by or known to P.C. and/or any Provider on the date of this Agreement or acquired by P.C: and/or any Provider during the term of this Agreement shall be the property of the Company, free of any reserved or

other rights of any kind on P.C. and/or 'any Provider's part in respect thereof, and P.C. and/or any such Provider hereby assign all rights therein to the Company.

P.C. and/or its Providers shall promptly make full disclosure of any such Inventions, Concepts and Ideas or modifications thereof to the Company. Further, P.C. and/or its Providers shall, at the Company's cost and expense, promptly execute formal applications for copyrights and also do all other acts and things (including, among others, executing and delivering instruments of further assurance or confirmation) deemed by the Company to be necessary or desirable at any time or times in order to effect the full assignment to the Company of P.C. and/or its Providers' rights and title to such Inventions, Concepts and Ideas or modifications, without payment therefor and without further compensation. In order to confirm the Company's rights, P.C. and/or its Providers will also assign to the Company any and all copyrights and reproduction rights to any written material prepared by P.C. and/or its Providers in connection with the Company's management of the P.C. or the Providers' employment or engagement by the P.C. P.C. and/or its Providers further understand that the absence of a request by the Company for information, or for the making of an oath, or for the execution of any document, shall in no way be construed to constitute a waiver of the rights of the Company under this Agreement. This Agreement shall not be construed to limit in any way any “shop rights” or other common law or contractual rights of the P.C. or the Company in or to any Inventions, Concepts and Ideas or modifications which the Company has or may have by virtue of the Company's management activities hereunder or the P.C.'s engagement of its Providers.

The P.C. agrees that the restrictive covenants set forth in Sections 11 and, 12 are reasonable in nature, duration and geographical scope. The P.C. further acknowledges that any violation of those restrictive covenants will cause the Company irreparable damage, which a monetary award would be inadequate to remedy, and that a court or arbitrator of competent jurisdiction may, in addition to monetary awards, enjoin any breach of, and enforce, such restrictive covenants by temporary restraining order, and preliminary and permanent injunctive relief without the need for the moving party to post any bond or surety. If a court or arbitrator of competent jurisdiction determines that any of the restrictive covenants set forth in Section 11 or 12 are unreasonable in nature, duration or geographic scope, then the P.C. agrees that such court or arbitrator shall reform such restrictive covenant so that such restrictive covenant is enforceable to the maximum extent permitted by law for a restrictive covenant of that nature, and such court shall enforce the restrictive covenant to that extent. If any court or arbitrator finds that the P.C. and/or any Provider has breached the restrictive covenants set forth in Sections 11 or 12 above, then such restrictive covenants shall be extended for an additional period equal to the period of such breach.

Employment Agreements. The P.C. agrees that it shall impose by contract on each of its Providers the obligation to abide by the applicable terms and conditions of this Agreement, including the restrictive covenants specified above. The Company and its affiliates are intended to be third-party beneficiaries of such contracts and the Company may, in its sole discretion, be a signatory to such contracts for purposes of enforcing against Providers the terms and conditions of this Agreement. Any liquidated damages paid to the P.C. by Providers pursuant to contracts between the P.C. and such Providers shall be assigned by the P.C. and paid over to the Company.

Term and Termination.

The term of this Agreement shall be for [coterminous with franchise agreement] years commencing on the date first written above, unless sooner terminated as set forth herein, and shall automatically renew for successive one (1) year terms unless either party gives the other at least ninety (90) days prior written notice of its intention not to renew prior to the expiration of then current term.

Either party may terminate this Agreement immediately upon the occurrence of any of the following events with regard to the other party: (i) the making of a general assignment for the benefit of creditors; (ii) the filing of a voluntary petition or the commencement of any proceeding by either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustments of indebtedness, reorganization, composition or extension; (iii) the filing of any involuntary petition or the commencement of any proceeding by or against either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension, which such petition or proceeding is not dismissed within ninety (90) days of the date on which it is filed or commenced; or (iv) suspension of the transaction of the usual business of either party for a period in excess of thirty (30) days.

The Company may terminate this Agreement immediately upon any of the following events:

The date of death of [Name of sole shareholder];

The date [Name of sole shareholder] is determined by a court of competent jurisdiction to be incompetent, or permanently disabled so as to be unable to render any professional services

The date [Name of sole shareholder] becomes disqualified under the

Bylaws of the P.C. or applicable law to be a shareholder of the P.C.;

The date upon which any of the shares of stock in the P.C. held by [Name of sole shareholder] are transferred or attempted to be transferred voluntarily, by operation of law or otherwise to any person;

The date upon which [Name of sole shareholder] ceases to provide chiropractic services in connection with the P.C.; or

The merger, consolidation, reorganization, sale, liquidation, dissolution, or other disposition of all or substantially all of the stock or assets of the P.C.

The Company may terminate this Agreement if the P.C. fails, within seven (7) days after receiving written notice from the Company, to remove from the Clinic any Provider who the Company determines has materially disrupted or interfered with the performance of the P.C.'s obligations hereunder. This provision shall not be construed as permitting the Company to control or impair the P.C.'s or the Providers' chiropractic judgment, professional performance or patient of care.

The Company may terminate this Agreement immediately upon written notice to the P.C. in the event of termination for any reason of any of the following agreements: (i) the Company's Operating Agreement or similar governing document, (ii) the employment agreement between the P.C. and _____(Doctor's name)

The Company may terminate this Agreement at any time with or without cause, by giving the P.C. forty-five (45) days' prior written notice.

Either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party in the event of a material breach by the other party of any material term or condition hereof, if such breach is not cured to the reasonable satisfaction of the non-breaching party within thirty (30) days after the non-breaching party has given notice thereof to the other party.

Upon termination or expiration of this agreement by either party, the P.C. shall pay the Company any amounts owed to the Company under paragraph 5 hereof as of the date of termination or expiration.

Upon termination or expiration of this Agreement, the P.C. shall return to the Company any and all property of the Company which may be in the P.C.'s possession or under the P.C.'s control.

If, in the opinion (the "Opinion") of nationally recognized health care counsel selected by the Company, it is determined that it is more likely than not that applicable Laws in effect or to become effective as of a date certain, or if the Company or the P.C. receives notice (the "Notice") of an actual or threatened decision, finding or action by any governmental or private agency or court (collectively referred to herein as "Action"), which Laws or Action, if or when implemented, would have the effect of subjecting either party to civil or criminal prosecution under state and/or federal laws, or other material adverse proceeding on the basis of their participation herein, then the Company or the P.C. shall provide such Opinion or Notice to the other party. The parties shall attempt in good faith to amend this Agreement to the minimum extent necessary in order to comply with such Laws or to avoid the Action, as applicable, and shall utilize mutually agreed upon joint legal counsel to the extent practicable. If, within ninety (90) days of providing written notice of such Opinion or such Notice to the other party, the parties hereto acting in good faith are unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or alternatively, the parties mutually determine in good faith that compliance with such requirements is impossible or unfeasible, then this Agreement shall be terminated without penalty, charge or continuing liability upon the earlier of the following: the date one hundred and eighty (180) days subsequent to the date upon which any party gives written notice to the other party, or the effective date upon which the Law or Action prohibits the relationship of the parties pursuant to this Agreement. In the event of a termination of this Agreement in accordance with this Section 15(j), then the restrictions contained in Sections 11 and 12 of this Agreement shall be waived and shall be of no further effect.

Obligations After Termination. Except as otherwise provided herein or in any amendment hereto, following the effective date of termination of this Agreement:

The Company shall continue to permit the P.C. or its authorized representatives to conduct financial audits relating to the period this Agreement was in effect;

The P.C. shall cooperate with the Company to assure the appropriate transfer of patient cases and patient records;

Both the Company and the P.C. shall cooperate in connection with the termination or assignment of provider contracts and other contractual arrangements; and

Both the Company and the P.C. shall cooperate in the preparation of final financial statements and the final reconciliation of fees paid hereunder, which shall be calculated by the Company six (6) months after termination of this agreement; provided that in the event of a termination of this Agreement by the Company pursuant to Section 16(b), (c), or (d), the P.C. and any such Provider shall forfeit its (or his/her) rights to any future payment from the Company under this or any other agreement between the parties, except as may otherwise be agreed to by the Company in its discretion.

Return of Proprietary Property and Confidential Information. All documents, procedural manuals, guides, specifications, plans, drawings, designs, copyrights, service marks and trademark rights, computer programs, program descriptions and similar materials, lists of present, past or prospective patients, proposals, marketing and public relations materials, invitations to submit proposals, fee schedules and data relating to patients and the pricing of the Company's products and services, records, notebooks and similar repositories of or containing Confidential Information and Inventions (including all copies thereof) that come into P.C. and/or its Providers possession or control, whether prepared by P.C., its Providers, or others: (a) are the property of the Company, (b) will not be used by P.C. or its Providers in any way adverse to the Company or to the benefit of P.C. and/or its Providers, (c) will not be removed from the Company's premises (except as P.C. and/or its Providers' duties hereunder require) and (d) at the termination of this Agreement or engagement of such Providers, will be left with, or forthwith returned and/or restored to the Company, and P.C. and such Providers shall discontinue use of such materials.

Status of Parties. In the performance of the work duties and obligations under this Agreement, it is mutually understood and agreed that each party is at all times acting and performing as an independent contractor with respect to the other and that no relationship of partnership, joint venture or employment is created by this Agreement.

Force Majeure. Neither party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to, acts of god, war, civil commotion, fire, flood or casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather, plagues, epidemics, pandemics, outbreaks of disease or any other public health crisis, including quarantine or other restrictions, or governmental regulations superimposed after the fact. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

Notices. Any notices to be given hereunder by either party to the other shall be deemed to be received by the intended recipient (a) when delivered personally, (b) the first business day following delivery to a nationally recognized overnight courier service with proof of delivery, or (c) three (3) days after mailing by certified mail, postage prepaid with return receipt requested, in each case addressed to the parties at the addresses set forth on page 1 above or at any other address designated by the parties in writing.

Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties.

No Rights in Third Parties. Except as provided in Section 14, hereof, this Agreement is not intended to, nor shall it be construed to, create any rights in any third parties, including, without limitation, in any Providers employed or engaged by the P.C. in connection with the Clinic.

Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of [State], and venue for the commencement of any action or proceeding brought in connection with this agreement shall be exclusively in the federal or state court in [State], [County] . [Insert State and County where Clinic is located]

Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible, and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.

Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to that term or any other term of this Agreement.

Rights Unaffected. No amendment, supplement or termination of this Agreement shall affect or impair any right or obligations which shall have theretofore matured hereunder.

Interpretation of Syntax. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective heirs, executors, administrators and assigns.

Further Actions. Each of the parties agrees that it shall hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

Non-Assignment. The P.C. may not assign this Agreement except with the prior written approval of the Company. The Company may assign this Agreement.

Access of the Government to Records. To the extent that the provisions of Section 1861(v)(1)(I) of the Social Security Action 42 U.S.C. § 1395x(v)(1)(I) are applicable to

this Agreement, the parties agree to make available, upon the written request of the Secretary of the Department of Health and Human Services or upon the request of the Comptroller General, or any of their duly authorized representatives, this Agreement, and other books, records and documents that are necessary to certify the nature and extent of costs incurred by them for services furnished under this Agreement. The obligations hereunder shall extent for four (4) years after furnishing of such services. The parties shall notify each other of any such request for records.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto affix their signatures below and execute this Agreement under seal.

[P.C.]	[100% FRANCHISEE/ "Company"]
By:	By:
Its: President	Its:

EXHIBIT A

TO 100% MANAGEMENT AGREEMENT

EQUIPMENT/FURNISHINGS

[Insert "Supply List" for each Clinic]

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

THIS Business Associate AGREEMENT (the "**Agreement**") dated _____, 20___ by and between _____, a professional service corporation) ("**Covered Entity**") and _____ management company (**"Business Associate"**), is entered into for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**).

I. **Definitions**. For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

A. **"Protected Health Information"** shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past. present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

B. **"Required by Law"** shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. **"Required by Law"** includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

II. **Permitted Uses and Disclosures**. Business Associate may use or disclose Protected Health Information received or created by Business Associate pursuant to the Agreement solely for the following purposes:

A. Business Associate may use or disclose Protected Health Information as necessary to carry out Business Associate's responsibilities and duties under the Agreement.

B. Business Associate may use or disclose Protected Health Information for Business Associate's proper management and administration or to fulfill any present or future legal responsibilities of Business Associate; provided, however, that if Business Associate discloses Protected Health Information to a third party under this Section II(b), Business Associate shall Ii) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

C. Business Associate may use or disclose protected Information as Required by Law.

D. Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

III. **Disclosure to Agent**. In the event Business Associate disclosed to any agent, including a subcontractor, Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity, Business Associate shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Business Associate under this Agreement.

IV. **Safeguards**. Business Associate shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Business Associate's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Business Associate shall maintain a written security program describing such safeguards, a copy of which shall be available to the Covered Entity upon request.

V. **Reporting of Improper Disclosures**. Business Associate shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Business Associate becomes aware of such use or disclosure.

VI. **Reporting of Disclosures of Security Incidents**. Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware. For purposes of this Agreement, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Business Associate shall not have any obligation to notify Covered Entity of any unsuccessful attempts to (i) obtain unauthorized access to F= Covered Entity's information in Business Associate's possession, or (ii) interfere with Business Associate's system operations in an information system, where such unsuccessful attempts are extremely numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

VII. **Mitigation**. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

VIII. **Access to protected health information by the Covered Entity**

A. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all Protected Health Information in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

B. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all information and records in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

C. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all protected Health Information in Business Associate's possession necessary for the Covered Entity to respond to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's direction, Business Associate shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Business Associate.

IX. **Access of HHS**. Business Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of the Covered Entity, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

X. **Return of Protected Health Information Upon Termination**. Upon termination of the Agreement, Business Associate shall: (a) if feasible, return or destroy all Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of, the Covered Entity that Business Associate still maintains in any form, and Business Associate shall retain no copies of such information; or (b) if Business Associate reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

XI. **Obligations of Covered Entity**

A. Upon request of Business Associate, Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR §164.520.

B. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

C. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information to which Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

XII. **Amendment**. If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Covered Entity may, on thirty (30) days written notice to Business Associate, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

XIII. **Indemnification**. Each of the parties shall indemnify, defend and hold harmless the other and its directors, officers, employees and agents from and against any and all third party liabilities, costs, claims and losses including, without limitation, the imposition of civil penalties by HHS under HIPAA, arising from or relating to the breach by either party or any of its directors, officers, employees or agents (including subcontractors) of the terms of this Agreement.

XIV. **Conflicting Terms**. In the event of any terms of this Agreement conflict with any terms of the Agreement, the terms of this Agreement shall govern and control.

"COVERED ENTITY"	"**BUSINESS ASSOCIATE**"
_____,	_____
a professional corporation	
By: _____	By: _____
Signature	Signature
By: _____	By: _____
Printed Name	Printed Name
Its: _____	Its: _____

EXHIBIT M-2

MANAGEMENT AGREEMENT (CATEGORY 2 STATES)

MANAGEMENT AGREEMENT

(For Use in Category 2 States, which includes the following: Illinois, New York and North Carolina)

THIS MANAGEMENT AGREEMENT ("Agreement") is made effective as of _____, 20__ by and between _____, a [State] [corporation/limited liability company], having its principal place of business at _____ (the "Company"), and _____, a _____ [State] [professional corporation/professional limited liability company/professional association/professional service corporation], having its principal place of business at _____ (the "P.C."). [This defined term may be adapted to correspond to the applicable business form (i.e., P.L.L.C.).]

WHEREAS, the P.C. has been incorporated under the laws of the State where it will render chiropractic services to its patients;

WHEREAS, the P.C. desires to establish and operate a chiropractic clinic and provide chiropractic services (the "Clinic") at _____ (the "Premises") and to obtain certain equipment, furnishings, office space and management services for the P.C. from the Company; and

WHEREAS, the Company is ready, willing, and able to provide equipment, furnishings, office space and management services to the P.C. in connection with the Clinic.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Representations and Warranties.

Representations and Warranties of the Company. The Company represents and warrants to the P.C. that at all times during the term of this Agreement, the Company is a [corporation/limited liability company] duly organized, validly existing and in good standing under the laws of the State of _____.

Representations and Warranties of the P.C. The P.C. represents and warrants to the Company that at all times during the term of this Agreement:

The P.C. is a [professional corporation/professional limited liability company/professional association/professional service corporation] duly organized, validly existing and in good standing under the laws of the State of _____ and is duly licensed and qualified under all applicable laws and regulations to engage in the practice of chiropractic medicine in the State of _____.

Each of the professionals employed or engaged by the P.C. to render services at the Clinic is duly licensed, certified, or registered, to render the professional services at the Premises, for which he or she has been employed or engaged by the P.C.

The P.C. will establish and enforce procedures to ensure that proper and complete patient records are maintained regarding all patients of the P.C. as required by Section 4.9 below, applicable law and by the rules and regulations of any applicable governmental agency (collectively "Laws").

Furnishings and Equipment, Use of Premises, Trade Name.

Title and Maintenance. During the term of this Agreement, the Company grants to the P.C. the exclusive right to use the equipment and furnishings specified in Exhibit A hereto, and as amended (the "Equipment and Furnishings"), on the terms and conditions hereinafter set forth. The P.C. shall use, and shall cause its Providers (as defined in Section 4.2, below) to use, the Equipment and Furnishings in connection with the Clinic in a manner that the P.C. determines is in the best interest of its patients. Title to the Equipment and Furnishings, including any improvements shall be and remain in the Company at all times. The P.C. agrees to take no action that would adversely affect the Company's title to or interest in the Equipment and Furnishings. During the term of this Agreement, the P.C. shall be responsible for maintaining the Equipment and Furnishings in good condition and repair, reasonable wear and tear from normal use excepted, including, where necessary, the replacement or substitution of parts. All maintenance, repair and replacement, if necessary, of the Equipment and Furnishings shall be performed by the Company on behalf of the P.C., in accordance with Section 3.1 of this Agreement. The P.C. agrees to assume the cost and expense of all supplies used in connection with the Equipment and Furnishings, and the P.C. agrees to make the Equipment and Furnishings available for inspection by the Company or its designee at any reasonable time.

Liens, Encumbrances, Etc. The P.C. shall not directly or indirectly create or suffer to exist any mortgage, security interest, attachment, writ or other lien or encumbrance on the Equipment and Furnishings, and will promptly and at its own expense, discharge any such lien or encumbrance which shall arise, unless the same shall have been created or approved by the Company.

Use of Premises. The Company will provide as a license to use space, the use of the Premises in which the P.C. shall conduct and provide its chiropractic services at the Clinic during the term of this Agreement. This Agreement shall not be construed as a lease or sublease of the Premises, and shall not be deemed to create a relationship between a landlord and a tenant. The P.C. shall have no rights as a lessee of or any other possessory or occupancy rights to or any interest in the Premises except for the right to perform professional chiropractic services on the Premises as expressly set forth in this Agreement.

Return of Equipment and Furnishings. Upon the termination or expiration, as applicable of this Agreement, the Company shall retain all Equipment and Furnishings and the P.C. will relinquish control thereof free and clear of all liens, encumbrances, and right of others as expressly set forth in this Agreement.

Assignment. The P.C. shall not assign any of its rights hereunder to the use of the Equipment and Furnishings to any third party, without the prior written consent of the Company.

Reporting. In addition to P.C.'s right to approve the initial Equipment and Furnishings identified in Exhibit A, the P.C. shall advise the Company with respect to the selection of additional and replacement Equipment and Furnishings for the Clinic, and with respect to any proposed additions or improvements to the Equipment and Furnishings. The P.C. may refer the patient for consultation or treatment elsewhere, if the P.C. deems such to be in the best interest of its patient(s). The P.C. hereby approves the use of the Equipment and Furnishings identified in Exhibit A hereto. The Equipment and Furnishings in Exhibit A will be furnished by the Company at no additional expense to the P.C. However, if P.C. chooses to use different Equipment and Furnishings that is still therapeutic in nature, this will be treated as an additional expense of the P.C. The P.C. will ensure that all Equipment and Furnishings are used in a safe and appropriate manner. The P.C. shall promptly notify the Company of any defective Equipment or Furnishings.

Use of Trade Name. The Company shall provide P.C. with a revocable license to use the name "100% Chiropractic®" for the Clinic (the "Name"), and the Name shall be used by the P.C. in conformity with all applicable Laws.

General Responsibilities of the Company. Except as otherwise provided in this Agreement, the Company shall have responsibility for general management and administration of the day-to-day business operations of the P.C., exclusive of chiropractic, professional and ethical aspects of the P.C.'s chiropractic Clinic, in all respects subject to applicable Laws.

Maintenance, Repair and Servicing of Equipment and Furnishings. During the term of this Agreement, the P.C. engages the Company and the Company agree to perform or arrange for the performance of, all maintenance, repair, and servicing as may be necessary for the Equipment and Furnishings to be maintained in good working condition, reasonable wear and tear excepted.

Administrative and Management Services.

The Company shall provide, or arrange for the provision of, certain business, management and administrative services of a non-clinical nature necessary or appropriate for the proper operation of the P.C. ("the Management Services"), as described below. The Company shall be the exclusive provider to the P.C. of such Management Services. The P.C. shall not obtain any Management Services from any source other than the Company, except with the prior written consent of the Company. Subject to P.C.'s oversight and ultimate authority over all issues, Company is expressly authorized to take such actions that Company, in the exercise of reasonable discretion, deems necessary and/or appropriate to fulfill its obligations under this Agreement and meet the day-to-day requirements of P.C., including the responsibility and commensurate authority to provide full service management services for P.C. as set forth in this Agreement, including supplies, support services, third party contracting, quality assurance, educational activities, risk management, billing and collection services, management, administration, financial record keeping and reporting, and other business services as provided in this Agreement. The Company is authorized to contract with third parties, including one or more of its affiliates, for the provision of services, Equipment and Furnishings and personnel needed to perform its obligations under this Agreement. Any contracts with such affiliates shall be arms' length agreements on terms reasonably available from reasonably efficient competing vendors.

Nothing herein shall be construed to interfere with P.C.'s or its licensed providers' professional judgment or actions with respect to the diagnosis and treatment of any of their patients.

The Management Services to be provided by the Company for the Clinic shall include, but not be limited to, the following:

business planning;

financial management, including causing royalty payments to be made to the Franchisor, Tactic Franchising, LLC, causing annual financial statements to be prepared for the P.C., providing to the P.C. the data necessary for the P.C. to prepare and file its tax returns and make any other necessary governmental filings, paying on behalf of the P.C., the P.C.'s Monthly Obligations (as defined in Section 4.4(d) hereof);

bookkeeping, accounting, and data processing services;

maintenance of patient records owned and maintained by the P.C. in accordance with procedures established by the P.C. pursuant to Section 1.2(c) above;

materials management, including purchase and stock of office supplies and maintenance of Equipment and Furnishings and facilities, subject to the P.C.'s approval of the selection of chiropractic equipment for the Clinic;

administering or causing to be administered any welfare, benefit or insurance plan or arrangement of the P.C.;

coordinate human resources management, including primary direction of recruitment, training, and management of all Administrative Staff (defined in Section 3.3 below);

billing to and collection from all payors, on behalf of and in the name of the P.C., accounts receivable and accounts payable processing, all in accordance with the P.C.'s instructions and final approval made in consultation with the Company;

administering utilization, cost and quality management systems that are established in accordance with Section 4.3;

developing a marketing program which includes the design, procurement, and monitoring of electronic and print advertising of the Clinic, in conformity with the requirements of applicable Laws;

arrange for the P.C. to obtain and maintain malpractice and other agreed upon insurance coverages;

providing administrative services in connection with the P.C.'s advertising, marketing and promotional activities of the Clinic, subject to the P.C.'s approval of the materials used to advertise, market and promote the Clinic and provided, however, that such

advertising, marketing, and promotional activities shall not include efforts related to recruit patients for the Clinic or the P.C.;

arranging for necessary legal services except with respect to any legal dispute between the P.C. and the Company;

performing credentialing support services such as application processing and information verification;

developing and providing OSHA compliance programs and consulting;

developing and providing P.C. with consulting services regarding pricing and membership plan strategies for the Clinic, subject to the requirements of applicable provisions of Law. Notwithstanding the foregoing, the parties expressly acknowledge and agree that all policies and decisions relating to pricing, credit, refunds and warranties shall be established in compliance with applicable Laws; and

to the extent not included in any of the services listed in Section 3.2(b)(i) – (xvi) providing:

relationship development with Chiropractic schools;

personnel training and orientation in non-chiropractic areas;

monitoring of industry developments and strategic planning;

payroll processing;

public relations;

facilities management;

coordination and negotiation of clinic financing efforts;

clinic remodels;

continuing education programs;

client scheduling design software;

coordinate client service and complaint handling, provided that any clinical complaints shall be directed to the P.C. or its providers;

clinic management analysis;

internal publications development and distribution;

conference and travel coordination; and

administration of committees.

The Company shall not provide any of the following services to the Clinic:

the assignment of Providers to treat patients, including determining how many patients a chiropractor must see in a given period or how many hours a chiropractor must work;

assumption of responsibility for the care of patients including the treatment options available;

serving as the party to whom bills and charges are made payable;

determining what diagnostic tests are appropriate for a particular condition;

determining the need for referrals to or consultation with another healthcare provider; and

any activity that involves the practice of chiropractic medicine and the provision of chiropractic services or that would cause the Clinic to be subject to licensure under applicable laws and regulations in _____ (State).

Administrative Staff. Subject to P.C.'s oversight and ultimate authority (including ratification of all non-chiropractic personnel who indirectly are involved in patient care (the "Non-Chiropractic Personnel"), Company may recommend for employment and termination the employment of all Non-Chiropractic Personnel as Company will deem necessary or advisable ("Administrative Staff"), and will be responsible for the supervision, direction, training and assigning of duties of all Non-Chiropractic Personnel, with the exception of activities, if any, carried on by Non-Chiropractic Personnel which must be under the direction or supervision of licensed chiropractors in accordance with applicable law and regulations. Unless otherwise specifically agreed in writing, Company shall administer compensation, benefits, and scheduling of all Non-Chiropractic Personnel providing any services for or on behalf of P.C., and such personnel will be employees or independent contractors employed or engaged by Company.

Patient Records. The Company shall preserve the confidentiality of any patient records that it stores on behalf of the P.C., including the restriction of access to such records by its own personnel to only those whose specific job description requires access to such information on a routine basis.

Performance Standards. All Management Services provided hereunder shall be subject to commercially reasonable performance standards agreed to by the parties from time to time.

Responsibilities of the P.C.

Professional Services. During the term of this Agreement, the P.C. shall be solely responsible for all aspects of the diagnostic, therapeutic and related professional services delivered by the Providers at the Clinic, and for the selection, training, professional direction, supervision, employment or engagement, and termination of all Providers. Company will provide assistance to P.C. in recruiting and evaluating prospective chiropractors and support personnel as employees or independent contractors of P.C. P.C. will make all decisions relating to hiring, training, managing, and termination of all Providers (defined in Section 4.2). At the request of P.C., Company will administer compensation, benefits, and scheduling of Providers on behalf of the P.C. as directed by P.C., which shall exclusively oversee and direct all clinical and patient care activities. In addition, the P.C. shall be solely responsible for the following determining what diagnostic tests are appropriate for a particular condition; determining the need for referrals to or consultation with another chiropractor/specialist; and the overall care of the patient, including the treatment options available.

Time Commitment. The P.C. shall employ or engage and make available to the Clinic, sufficient chiropractors and other professionals, authorized to engage to the extent permitted by law in the chiropractic services provided by the Clinic (collectively referred to as "Providers") in adequate numbers to meet the chiropractic needs of the patients of the Clinic. The P.C. shall establish the Clinic's hours of operation and provide such services during normal business hours, as established in consultation with the Company. The P.C. shall ensure that all work and coverage schedules meet the needs of patients of the P.C. in a competent, timely and responsive manner. The P.C. shall determine how many patients a chiropractor must see in a given period of time or how many hours a chiropractor must work.

Quality of Service. The P.C. shall establish and enforce procedures to assure the appropriateness, necessity, consistency, quality, cost effectiveness and efficacy of all chiropractic services provided to patients of the Clinic. The P.C. shall require each of its Providers who are licensed, registered or certified to perform professional services to participate in and cooperate with any utilization management, quality assurance, risk management, patient care assessment, continuous quality improvement, accreditation or other similar program or study to review the performance such Providers as may be required by the P.C., governmental agencies, professional review organizations, accrediting bodies, or health care entities or other third parties with which the P.C. may contract or affiliate.

Billing and Collection.

The Company shall bill and use its best efforts to collect for all services rendered by the P.C. and its Providers hereunder and for all access and membership fees as agent for the P.C. in accordance with P.C.'s instructions and final approval made in consultation with the Company regarding coding and billing procedures for professional services provided by the P.C. All of the payments with respect to such services shall be made by cash or by check, electronic funds transfer, or credit card payable to the P.C. and shall be deposited into a bank account of the P.C. (the "Concentration Account") with a bank mutually agreed to by the Company and the P.C. (the "Account Bank"). The Company shall prepare and make available to the P.C. an accounting

of receipts attributable to services provided by the P.C., and receipts attributable to services provided by the Company.

The P.C. shall, and shall cause its Providers to, promptly endorse and deliver to the Company all payments, notes, checks, money orders, remittances and other evidences of indebtedness or payment received by the P.C. or its Providers, with respect to all accounts, contract rights, instruments, documents, or other rights to payment from time to time arising from the rendering of chiropractic services by the P.C. and its Providers, for access or membership fees, or otherwise relating to the business of the P.C., together with any guarantees thereof or securities therefore which are generated during the term of this Agreement. The Company is hereby granted a special power of attorney with respect to the Concentration Account and shall have the power and authority to deposit into, and withdraw funds from, all such accounts as may be required to pay P.C.'s Expenses (as defined in Section 4.13 below). The P.C. shall notify the banking institution of the Concentration Account, and shall cause one or more employees or agents designated by the Company to be listed as a signatory on that account.

With respect to funds deposited in the Concentration Account (the "P.C.'s Revenues"), the Company shall separately and accurately account for the receipt, use, disposition, and interest gained on the P.C.'s Revenues.

On at least a monthly basis, the Company shall prepare an invoice to the P.C. describing the expenses of the P.C. that the Company has paid. The Company shall pay all of the current month's P.C. Expenses, as defined in Section 4.13 hereof and the current month's Management Fee as defined in Section 5 hereof (collectively, the "P.C.'s Monthly Obligations"). In the event that the P.C.'s Revenue (including the current month's interest earned on the P.C.'s Revenue) is insufficient to pay fully the P.C.'s Monthly Obligations, the Company may advance to the P.C. an amount equal to the deficit (the "Deficit Advance") by depositing such amount in the Concentration Account. The amounts of the Deficit Advances shall accrue and the P.C. shall be obligated to pay such amounts upon the termination of this Agreement. In the event that there is a monthly profit that exceeds the P.C.'s Monthly Obligations (the "Monthly Profits"), then the Company shall use such amount to repay any prior Deficit Advances made by the Company (if any) together with interest accrued thereof.

Licensure. The P.C. shall ensure that each Provider associated with P.C. maintains, if applicable, an unrestricted license to practice chiropractic or other health care profession, or to be engaged in his or her particular field of expertise in the State of _____ and, to the extent that Providers provide professional services in other states, that such individuals maintain comparable unrestricted licensure in such other jurisdictions. Each Provider shall have a level of competence, experience and skill comparable to that prevailing in the community where such Provider provides professional services.

Continuing Education. The P.C. shall ensure that each Provider shall obtain the required continuing professional education for his or her specialty in each state where such Provider provides professional services and shall provide documentation of the same to the Company.

Disciplinary Actions. The P.C. shall, and shall cause each of its Providers to, disclose to the Company during the term of this Agreement: (i) the existence of any proceeding against any Provider instituted by any plaintiff, governmental agency, health care facility, peer review organization or professional society which involves any allegation of substandard care or professional misconduct raised against any Provider, and (ii) any allegation of substandard care or professional misconduct raised against any Provider by any person or agency during the term of this Agreement.

Outside Activities.

The P.C. and its Providers shall devote their best efforts to fulfill their obligations hereunder. The P.C. and its Providers shall not engage in any other professional activities, whether or not such business activity is pursued for gain, profit, or other pecuniary advantage, which would interfere with the performance of the P.C.'s duties hereunder, without the prior written consent of the Company, which consent shall not be unreasonably withheld. The P.C. shall assure that each of its Providers shall not provide chiropractic services other than on behalf of the P.C., unless such activity is disclosed in writing to and is expressly authorized in writing by the Company. In the event that any of the P.C.'s Providers shall violate any provision of this Section 4.8(a), the P.C.'s President shall immediately notify the Company of such activity and the P.C. shall immediately take all necessary and appropriate corrective action to cease such activity.

Except as otherwise approved in advance by the Company, and to the extent permitted by law, all amounts collected by the P.C. for chiropractic services, regardless of the source of payment, shall be assigned and belong to the Company including honoraria, royalties, revenues from patents, copyrights or other licensable intellectual property, revenues from teaching and supervising licensees-in-training and revenues from other professional activities ("Outside Income").

Patient Records.

The P.C. and its Providers shall maintain, in a timely manner, complete, accurate and legible records for all patients of the Clinic, and all such patient records shall be the property of the P.C. The P.C. and its Providers shall comply with all applicable laws, regulations and ethical principles concerning confidentiality of patient records.

The P.C. shall own and control all patient chiropractic records, including determining the contents thereof. The P.C. shall grant the Company access to the information contained in the patient records owned by the P.C. and completed by the Providers to the extent that access to such information is permitted by applicable Laws and is required in connection with the Company's administrative responsibilities hereunder. The P.C. agrees that, upon the termination of this Management Agreement (as permitted by applicable laws), the P.C. will transfer the original, or at P.C.'s discretion, complete copies of all of the P.C.'s patient records to a successor P.C. or a licensed chiropractor identified by the Company who will provide chiropractic services at the Premises or ensure that such records are transferred to a successor P.C. that will provide chiropractic services at the Premises. Notwithstanding the foregoing, such

successor P.C. or chiropractor shall be obligated to transfer a patient's record in accordance with the patient's request.

As required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the parties shall comply with the terms of the Business Associate Agreement attached as Exhibit B of this Agreement.

Credentialing. The P.C. shall participate and cooperate in and comply with any credentialing program established from time to time by the Company.

Fees for Professional Services. The P.C. shall be solely responsible for legal, accounting, and other professional service fees it incurs, except as otherwise provided herein.

Standards of Care. The P.C. and its Providers shall render services to patients hereunder in a competent and professional manner, in compliance with generally accepted and prevailing standards of care and in compliance with applicable statutes, regulations, rules, policies and directives of federal, state and local governmental, regulatory and accrediting agencies.

P.C. Expenses. The following expenses of the P.C. that are related to the Clinic ("P.C. Expenses") shall be paid by the Management Company, on behalf of the P.C. and at the direction of the P.C.:

Salaries, wages, benefits, (including health, life, and disability insurance coverage and all contributions under employee benefit plans), vacation and sick pay, employment and payroll taxes; and the cost of payroll administration and administration of benefits, for Providers employed by the P.C.;

Professional Corporation Fee paid to the Owner of the P.C. for clinical oversight of the Providers providing services at the Clinic totaling $500 per month for the first three months of the management relationship, and thereafter $1,200 per month, or $14,400 per year, which Professional Corporation Fee may be adjusted annually by the parties to reflect the scope of the clinical oversight performed and fair market value, and any such adjustment in the Professional Corporation Fee shall be confirmed by written agreement of both Parties;

Cost of all new chiropractic and non-chiropractic Equipment and Furnishings and supplies obtained for use in the operation of the Clinic, and depreciation cost of all capital Equipment and Furnishings and items obtained for use in the operation of the Clinic in accordance with federal tax depreciation schedules for such equipment and items;

Expenses of comprehensive professional liability insurance, professional liability insurance for each Provider of the P.C. to the extent the P.C. is required to pay for such insurance pursuant to the terms of the Provider's employment agreement, comprehensive general liability insurance and property insurance coverage for the P.C.'s facility and operations, and worker's compensation and unemployment insurance coverage for all P.C. employees;

Interest expense on indebtedness (including capitalized leases) incurred with respect to debt obligations to fund the operation of, or the acquisition of capital assets for, the P.C.;

State and local business license taxes, professional licensure and board certification fees, sales and use taxes, income, franchise and excise taxes and other similar taxes, fees and charges assessed against the P.C. or the Providers;

Expenses incurred in the course of recruiting chiropractors, chiropractic receptionists and other professional staff to work for and/or join the P.C.; and

Any federal income taxes, including the cost of preparation of the annual income tax returns of the P.C. and its Providers.

The P.C. shall promptly notify the Company of all P.C. Expenses incurred, and shall provide the Company with all invoices, bills, statements and other documents evidencing such P.C. Expenses.

Management Fee.

In consideration of the Company (i) licensing to the P.C. the use of Equipment and Furnishings and the Name; (ii) permitting the P.C. to operate the Clinic and perform professional chiropractic services at the Premises; (iii) granting to the P.C. the right to use the personal property and leasehold improvement at the Premises; and (iv) providing all other services described in this Agreement, the P.C. hereby agrees to pay to the Company a monthly Management Fee that be equal to **$[__]**.

The Management Fee may be adjusted annually by the parties to reflect changes in the scope and/or nature of the Management Services and the fair market value thereof. Any such adjustment in the Management Fee shall be confirmed by written agreement of both Parties. The Management Fee shall be paid in accordance with Section 4.4(d). In the event that in any month the P.C.'s Revenue (including the current month's interest earned on the P.C.'s Revenue) is insufficient to pay fully the monthly Management Fee, the unpaid amount of the Management Fee shall accrue each month, and the P.C. shall be obligated to pay such amount until fully paid in accordance with Section 4.4(d). The parties agree that the Management Fee represents the fair market value of the items and services provided under this Agreement. Further, the parties acknowledge that the Management Fee is not based upon, or in no way take into account, the volume or value of referrals to the Clinic or is intended to constitute remuneration for referrals, or the influencing of such referrals, to the Clinic.

The portion of the Management Fee (i) allocable to the P.C.'s use of the Equipment and Furnishings and Name has been determined by the parties to equal the fair market value of the use of the Equipment and Furnishings and Name, respectively, and (ii) allocable to the provisions of all other services hereunder has been determined by the parties to equal the fair market value of such other services without taking into account the volume or value of any referrals of business from the Company (or its affiliates) to the P.C. or the Providers, or from the P.C. or the Providers to the Company (or its affiliates).

The Manager may be eligible to be considered for annual bonus payments ("Performance Bonuses") by the P.C. during the Term at the discretion of the P.C. based on factors to be determined from time to time in relation to the services, benefits and efficiency provided to the P.C. by the Manager under this Agreement.

The Management Fee and any Performance Bonuses paid by the P.C. to the Company hereunder has been determined by the parties through good-faith and arm's length bargaining. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of, or recommending referral of, patients by the P.C. to the Company (or its affiliates) or by the Company (or its affiliates) to the P.C. In addition, the Management Fee charged hereunder does not include any discount, rebate, kickback, or other reduction in charge, and the Management Fee charged hereunder is not intended to be, nor shall it be construed to be, an inducement or payment for referral, or recommendation of referral, of patients by the P.C. to the Company (or its affiliates) or by the Company (or its affiliates) to the P.C.

Regulatory Matters.

The P.C.'s Providers shall at all times be free, in their sole discretion, to exercise their professional judgment on behalf of patients of the P.C. No provision of this Agreement is intended, nor shall it be construed, to permit the Company to affect or influence the professional judgment of any member of the P.C.'s Providers. To the extent that any act or service required or permitted of the Company by any provision of this Agreement may be construed or deemed to constitute the practice of chiropractic, the ownership or control of a chiropractic practice, or the operation of a clinic, said provision of this Agreement shall be void ab initio and the performance of said act or service by the Company shall be deemed waived by the P.C.

The parties agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to comply with the requirements of applicable Laws and with all ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any federal, state, municipal, local or other lawful authority applicable to the Clinic, and of any insurance company insuring the Clinic or the parties against liability for accident or injury in or upon the premises of the Clinic.

Insurance.

General Comprehensive Liability Insurance. During the term of this agreement, the Company shall obtain and maintain a comprehensive general liability insurance policy and such other insurances as may be required, in such amounts, with such coverages and with such companies as the Company may reasonably determine to be necessary and appropriate, as required by law or as are usual and customary. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional named insureds, and provide for third (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Equipment Insurance. The Company shall cause to be carried and maintained, at its own expense, insurance against all risks of physical loss or damage to the Equipment and Furnishings in an amount not less than the original purchase price or the replacement cost with like kind and quality at the time of loss, with such companies and as the Company shall reasonably determine, to the extent such coverage is not already provided under the general liability insurance policy required under Section 7.1. These insurance policies must name TACTIC Franchising,

LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional named insureds, and provided for thirty (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Malpractice Insurance. During the term of this Agreement, the P.C. shall arrange for the P.C. to obtain and maintain, at the P.C.'s expense, professional liability insurance covering the P.C. and its Providers, with limits of not less than [one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) in the aggregate], which the parties hereby agree are adequate amounts of coverage, or such other amount as required by law. In the event the P.C. has a "claims made" form of insurance in effect at any time during the term of this Agreement, the Company shall obtain, at P.C.'s expense, full "tail" coverage to cover any event that may have occurred during the term of this Agreement. The P.C. shall provide to the Company any information with respect to the P.C. or the Providers necessary for the Company to secure such professional liability insurance. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional name insureds, and provide for thirty (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Indemnification by the P.C. The P.C. hereby agrees to indemnify, defend, and hold harmless the Company, and each of the Company's officers, directors, shareholders, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part out of any breach by the P.C. of this Agreement or any acts or omissions by the P.C. or its Providers in their performance of this Agreement, including, but not limited to, negligence of the P.C. or its Providers arising form or related to any of their professional acts or omissions to the extent that such is not paid or covered by the proceeds of insurance. The P.C. shall immediately notify the Company of any lawsuits or actions, or any threat thereof, against P.C. or any Provider, or the Company, which may become known to the P.C.

Indemnification by the Company. The Company hereby agrees to indemnify, defend, and hold harmless the P.C., and each of its officers, managers, members, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part, out of any breach by the Company of this Agreement or any willful or grossly negligent act or omission by the Company in its performance of this Agreement, to the extent that such is not paid or covered by the proceeds of insurance. The company shall immediately notify the P.C. of any lawsuits or actions, or any threat thereof, against the Company, P.C. or any Provider that may become known to the Company.

Actions Requiring Company's Consent. As inducement to Company to enter into this Agreement, P.C. agrees that it shall not take certain governance actions without its designated Manager's consent. Therefore, notwithstanding anything in this Agreement to the contrary, P.C.

agrees that the following actions by P.C. shall be void unless undertaken with the prior written consent of Manager:

The issuance, reclassification, recapitalization, redemption of capital stock of P.C. or of any security convertible into shares of capital stock of P.C., without prior consultation and written consent of Manager;

The payment of any dividends on the capital stock of P.C. or other distribution to the shareholders of P.C., without prior consultation and written consent of Manager;

Any consolidation, conversion, merger or stock/share exchange of P.C. without prior consultation and written consent of Manager;

Any sale, assignment, pledge, lease, exchange, transfer or other disposition (without prior consultation and written consent of Manager), excluding salaries, but including without limitation a mortgage or other security device, of assets, including P.C.'s accounts receivable, constituting in the aggregate five percent (5%) or more (in any transaction or series of transactions over any consecutive five (5) year period) of the total assets of P.C. at the end of its most recent fiscal year ending prior to such disposition; and

The dissolution or liquidation of P.C.

Non-Solicitation.

To the extent permitted by applicable Laws, the P.C. shall not, during the term of this Agreement and for a period of one (1) year from the date of termination or expiration of this Agreement, and shall ensure that its Providers shall not, during the term of their employment by the P.C. and for a period of one (1) year thereafter, solicit for employment, verbally or in writing, employ or offer employment to any employee or former employee of the Company or its affiliates, including, but not limited to any personnel provided by the Company to P.C. hereunder, without the prior written consent of the Company.

To the extent permitted by law, during the term of any Provider's employment with the P.C. and for a period of one (1) year after the termination or expiration of any such Provider's employment agreement with the P.C., such Provider shall not, without the express written consent of the P.C., solicit verbally or in writing, any patient or former patient of the P.C., or otherwise interfere with such patient or former patient's relationship with the P.C. in connection with the provisions of chiropractic services. Upon termination of any Provider's employment with the P.C., the P.C. shall promptly notify the Provider's patients of how and where to contact the Provider.

In the event that any of the P.C.'s Providers shall violate any provision of this Section 11, the P.C.'s President shall immediately notify the Company of such activity and the P.C. shall immediately take all necessary and appropriate corrective action.

Company agrees to waive up to five thousand dollars ($5,000) in outstanding Management Fees owed by the P.C. at termination of this Agreement, pursuant to

Section 5(a), as consideration for the non-solicitation provisions set forth in Section 11(a) and (b) above.

Proprietary Rights. The P.C. recognizes and acknowledges that all records, files, reports, protocols, polities, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Company (or its affiliates) in rendering services hereunder, or relating to the operations of the company (or its affiliates), belong to and shall remain the property of the Company, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Company's business ("Confidential Information"). The P.C. shall not, and shall assure that each of its Providers shall not, during or after the term of this Agreement, disclose any Confidential Information of the Company (or its affiliates), or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Company or its respective affiliates. Nothing herein is intended to refer to a patient health or treatment records.

Enforcement.

The P.C. recognizes and acknowledges that all records, files, reports, protocols, policies, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Company (or its affiliates) in rendering services hereunder, or relating to the operations of the Company (or its affiliates), belong to and shall remain the property of the Company, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Company's business ("Confidential Information"). The P.C. shall not, and shall assure that each of its Providers shall not, during or after the term of this Agreement, disclose any Confidential Information of the Company (or its affiliates), or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Company or its respective affiliates.

All works, discoveries and developments, whether or not copyrightable, relating to the Company's present, past or prospective activities, services and products ("Inventions") which are at any time conceived or reduced to practice by P.C. and/or any of its Providers, acting alone or in conjunction with others, in connection with the Company's management of the P.C. or, during the course of the P.C.'s employment or engagement of Providers (or, if based on or related to any Confidential Information, made by P.C. and/or any Provider during or after such management by the Company or employment or engagement by the P.C.) and all concepts and ideas known to P.C. or any Provider at any time during the Company's management of the P.C. which relate to the Company's present, past or prospective activities, services and products ("Concepts and Ideas") or any modifications thereof held by or known to P.C. and/or any Provider on the date of this Agreement or acquired by P.C: and/or any Provider during the term of this Agreement shall be the property of the Company, free of any reserved or other rights of any kind on P.C. and/or 'any Provider's part in respect thereof, and P.C. and/or any such Provider hereby assign all rights therein to the Company.

P.C. and/or its Providers shall promptly make full disclosure of any such Inventions, Concepts and Ideas or modifications thereof to the Company. Further, P.C. and/or its Providers shall, at the Company's cost and expense, promptly execute formal applications for copyrights and also do all other acts and things (including, among others, executing and delivering

instruments of further assurance or confirmation) deemed by the Company to be necessary or desirable at any time or times in order to effect the full assignment to the Company of P.C. and/or its Providers' rights and title to such Inventions, Concepts and Ideas or modifications, without payment therefor and without further compensation. In order to confirm the Company's rights, P.C. and/or its Providers will also assign to the Company any and all copyrights and reproduction rights to any written material prepared by P.C. and/or its Providers in connection with the Company's management of the P.C. or the Providers' employment or engagement by the P.C. P.C. and/or its Providers further understand that the absence of a request by the Company for information, or for the making of an oath, or for the execution of any document, shall in no way be construed to constitute a waiver of the rights of the Company under this Agreement. This Agreement shall not be construed to limit in any way any "shop rights" or other common law or contractual rights of the P.C. or the Company in or to any Inventions, Concepts and Ideas or modifications which the Company has or may have by virtue of the Company's management activities hereunder or the P.C.'s engagement of its Providers.

The P.C. agrees that the restrictive covenants set forth in Sections 11 and, 12 are reasonable in nature, duration and geographical scope. The P.C. further acknowledges that any violation of those restrictive covenants will cause the Company irreparable damage, which a monetary award would be inadequate to remedy, and that a court or arbitrator of competent jurisdiction may, in addition to monetary awards, enjoin any breach of, and enforce, such restrictive covenants by temporary restraining order, and preliminary and permanent injunctive relief without the need for the moving party to post any bond or surety. If a court or arbitrator of competent jurisdiction determines that any of the restrictive covenants set forth in Section 11 or 12 are unreasonable in nature, duration or geographic scope, then the P.C. agrees that such court or arbitrator shall reform such restrictive covenant so that such restrictive covenant is enforceable to the maximum extent permitted by law for a restrictive covenant of that nature, and such court shall enforce the restrictive covenant to that extent. If any court or arbitrator finds that the P.C. and/or any Provider has breached the restrictive covenants set forth in Sections 11 or 12 above, then such restrictive covenants shall be extended for an additional period equal to the period of such breach.

Employment Agreements. The P.C. agrees that it shall impose by contract on each of its Providers the obligation to abide by the applicable terms and conditions of this Agreement, including the restrictive covenants specified above. The Company and its affiliates are intended to be third-party beneficiaries of such contracts and the Company may, in its sole discretion, be a signatory to such contracts for purposes of enforcing against Providers the terms and conditions of this Agreement. Any liquidated damages paid to the P.C. by Providers pursuant to contracts between the P.C. and such Providers shall be assigned by the P.C. and paid over to the Company.

Term and Termination.

The term of this Agreement shall be for [coterminous with franchise agreement] years commencing on the date first written above, unless sooner terminated as set forth herein, and shall automatically renew for successive one (1) year terms unless either party gives the other at least ninety (90) days prior written notice of its intention not to renew prior to the expiration of then current term.

Either party may terminate this Agreement immediately upon the occurrence of any of the following events with regard to the other party: (i) the making of a general assignment for the benefit of creditors; (ii) the filing of a voluntary petition or the commencement of any proceeding by either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustments of indebtedness, reorganization, composition or extension; (iii) the filing of any involuntary petition or the commencement of any proceeding by or against either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension, which such petition or proceeding is not dismissed within ninety (90) days of the date on which it is filed or commenced; or (iv) suspension of the transaction of the usual business of either party for a period in excess of thirty (30) days.

The Company may terminate this Agreement immediately upon any of the following events:

The date of death of [Name of sole shareholder];

The date [Name of sole shareholder] is determined by a court of competent jurisdiction to be incompetent, or permanently disabled so as to be unable to render any professional services

The date [Name of sole shareholder] becomes disqualified under the

Bylaws of the P.C. or applicable law to be a shareholder of the P.C.;

The date upon which any of the shares of stock in the P.C. held by [Name of sole shareholder] are transferred or attempted to be transferred voluntarily, by operation of law or otherwise to any person;

The date upon which [Name of sole shareholder] ceases to provide chiropractic services in connection with the P.C.; or

The merger, consolidation, reorganization, sale, liquidation, dissolution, or other disposition of all or substantially all of the stock or assets of the P.C.

The Company may terminate this Agreement if the P.C. fails, within seven (7) days after receiving written notice from the Company, to remove from the Clinic any Provider who the Company determines has materially disrupted or interfered with the performance of the P.C.'s obligations hereunder. This provision shall not be construed as permitting the Company to control or impair the P.C.'s or the Providers' chiropractic judgment, professional performance or patient of care.

The Company may terminate this Agreement immediately upon written notice to the P.C. in the event of termination for any reason of any of the following agreements: (i) the Company's Operating Agreement or similar governing document, (ii) the employment agreement between the P.C. and _____(Doctor's name)

The Company may terminate this Agreement at any time with or without cause, by giving the P.C. forty-five (45) days' prior written notice.

Either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party in the event of a material breach by the other party of any material term or condition hereof, if such breach is not cured to the reasonable satisfaction of the non-breaching party within thirty (30) days after the non-breaching party has given notice thereof to the other party.

Upon termination or expiration of this agreement by either party, the P.C. shall pay the Company any amounts owed to the Company under paragraph 5 hereof as of the date of termination or expiration.

Upon termination or expiration of this Agreement, the P.C. shall return to the Company any and all property of the Company which may be in the P.C.'s possession or under the P.C.'s control.

If, in the opinion (the "Opinion") of nationally recognized health care counsel selected by the Company, it is determined that it is more likely than not that applicable Laws in effect or to become effective as of a date certain, or if the Company or the P.C. receives notice (the "Notice") of an actual or threatened decision, finding or action by any governmental or private agency or court (collectively referred to herein as "Action"), which Laws or Action, if or when implemented, would have the effect of subjecting either party to civil or criminal prosecution under state and/or federal laws, or other material adverse proceeding on the basis of their participation herein, then the Company or the P.C. shall provide such Opinion or Notice to the other party. The parties shall attempt in good faith to amend this Agreement to the minimum extent necessary in order to comply with such Laws or to avoid the Action, as applicable, and shall utilize mutually agreed upon joint legal counsel to the extent practicable. If, within ninety (90) days of providing written notice of such Opinion or such Notice to the other party, the parties hereto acting in good faith are unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or alternatively, the parties mutually determine in good faith that compliance with such requirements is impossible or unfeasible, then this Agreement shall be terminated without penalty, charge or continuing liability upon the earlier of the following: the date one hundred and eighty (180) days subsequent to the date upon which any party gives written notice to the other party, or the effective date upon which the Law or Action prohibits the relationship of the parties pursuant to this Agreement. In the event of a termination of this Agreement in accordance with this Section 15(j), then the restrictions contained in Sections 11 and 12 of this Agreement shall be waived and shall be of no further effect.

Obligations After Termination. Except as otherwise provided herein or in any amendment hereto, following the effective date of termination of this Agreement:

The Company shall continue to permit the P.C. or its authorized representatives to conduct financial audits relating to the period this Agreement was in effect;

The P.C. shall cooperate with the Company to assure the appropriate transfer of patient cases and patient records;

Both the Company and the P.C. shall cooperate in connection with the termination or assignment of provider contracts and other contractual arrangements; and

Both the Company and the P.C. shall cooperate in the preparation of final financial statements and the final reconciliation of fees paid hereunder, which shall be calculated by the Company six (6) months after termination of this agreement; provided that in the event of a termination of this Agreement by the Company pursuant to Section 16(b), (c), or (d), the P.C. and any such Provider shall forfeit its (or his/her) rights to any future payment from the Company under this or any other agreement between the parties, except as may otherwise be agreed to by the Company in its discretion.

Return of Proprietary Property and Confidential Information. All documents, procedural manuals, guides, specifications, plans, drawings, designs, copyrights, service marks and trademark rights, computer programs, program descriptions and similar materials, lists of present, past or prospective patients, proposals, marketing and public relations materials, invitations to submit proposals, fee schedules and data relating to patients and the pricing of the Company's products and services, records, notebooks and similar repositories of or containing Confidential Information and Inventions (including all copies thereof) that come into P.C. and/or its Providers possession or control, whether prepared by P.C., its Providers, or others: (a) are the property of the Company, (b) will not be used by P.C. or its Providers in any way adverse to the Company or to the benefit of P.C. and/or its Providers, (c) will not be removed from the Company's premises (except as P.C. and/or its Providers' duties hereunder require) and (d) at the termination of this Agreement or engagement of such Providers, will be left with, or forthwith returned and/or restored to the Company, and P.C. and such Providers shall discontinue use of such materials.

Status of Parties. In the performance of the work duties and obligations under this Agreement, it is mutually understood and agreed that each party is at all times acting and performing as an independent contractor with respect to the other and that no relationship of partnership, joint venture or employment is created by this Agreement.

Force Majeure. Neither party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to, acts of god, war, civil commotion, fire, flood or casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather, plagues, epidemics, pandemics, outbreaks of disease or any other public health crisis, including quarantine or other restrictions, or governmental regulations superimposed after the fact. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

Notices. Any notices to be given hereunder by either party to the other shall be deemed to be received by the intended recipient (a) when delivered personally, (b) the first business day following delivery to a nationally recognized overnight courier service with proof of delivery, or (c) three (3) days after mailing by certified mail, postage prepaid with return receipt requested, in each case addressed to the parties at the addresses set forth on page 1 above or at any other address designated by the parties in writing.

Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties.

No Rights in Third Parties. Except as provided in Section 14, hereof, this Agreement is not intended to, nor shall it be construed to, create any rights in any third parties, including, without limitation, in any Providers employed or engaged by the P.C. in connection with the Clinic.

Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of [State], and venue for the commencement of any action or proceeding brought in connection with this agreement shall be exclusively in the federal or state court in [State], [County] . [Insert State and County where Clinic is located]

Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible, and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.

Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to that term or any other term of this Agreement.

Rights Unaffected. No amendment, supplement or termination of this Agreement shall affect or impair any right or obligations which shall have theretofore matured hereunder.

Interpretation of Syntax. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective heirs, executors, administrators and assigns.

Further Actions. Each of the parties agrees that it shall hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

Non-Assignment. The P.C. may not assign this Agreement except with the prior written approval of the Company. The Company may assign this Agreement.

Access of the Government to Records. To the extent that the provisions of Section 1861(v)(1)(I) of the Social Security Action 42 U.S.C. § 1395x(v)(1)(I) are applicable to this Agreement, the parties agree to make available, upon the written request of the Secretary of the Department of Health and Human Services or upon the request of the Comptroller General, or any of their duly authorized representatives, this Agreement, and other books, records and documents that are necessary to certify the nature and extent of costs incurred by them for services furnished under this Agreement. The obligations hereunder shall extent for four (4) years after furnishing of such services. The parties shall notify each other of any such request for records.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto affix their signatures below and execute this Agreement under seal.

[P.C.]	[100% FRANCHISEE/ "Company"]
By:	By:
Its: President	Its:

EXHIBIT A

TO 100% MANAGEMENT AGREEMENT

EQUIPMENT/FURNISHINGS

[Insert "Supply List" for each Clinic]

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "**Agreement**") dated _____, 20___ by and between _____, a professional service corporation) ("**Covered Entity**") and _____ management company (**"Business Associate"**), is entered into for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**).

XV. **Definitions**. For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

A. **"Protected Health Information"** shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past. present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

B. **"Required by Law"** shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. **"Required by Law"** includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

XVI. **Permitted Uses and Disclosures**. Business Associate may use or disclose Protected Health Information received or created by Business Associate pursuant to the Agreement solely for the following purposes:

A. Business Associate may use or disclose Protected Health Information as necessary to carry out Business Associate's responsibilities and duties under the Agreement.

B. Business Associate may use or disclose Protected Health Information for Business Associate's proper management and administration or to fulfill any present or future legal responsibilities of Business Associate; provided, however, that if Business Associate discloses Protected Health Information to a third party under this Section II(b), Business Associate shall Ii) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

C. Business Associate may use or disclose protected Information as Required by Law.

D. Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

XVII. **Disclosure to Agent**. In the event Business Associate disclosed to any agent, including a subcontractor, Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity, Business Associate shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Business Associate under this Agreement.

XVIII. **Safeguards**. Business Associate shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Business Associate's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Business Associate shall maintain a written security program describing such safeguards, a copy of which shall be available to the Covered Entity upon request.

XIX. **Reporting of Improper Disclosures**. Business Associate shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Business Associate becomes aware of such use or disclosure.

XX. **Reporting of Disclosures of Security Incidents**. Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware. For purposes of this Agreement, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Business Associate shall not have any obligation to notify Covered Entity of any unsuccessful attempts to (i) obtain unauthorized access to F= Covered Entity's information in Business Associate's possession, or (ii) interfere with Business Associate's system operations in an information system, where such unsuccessful attempts are extremely numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

XXI. **Mitigation**. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

XXII. **Access to protected health information by the Covered Entity**

A. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all Protected Health Information in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

B. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all information and records in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

C. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all protected Health Information in Business Associate's possession necessary for the Covered Entity to respond to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's direction, Business Associate shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Business Associate.

XXIII. **Access of HHS**. Business Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of the Covered Entity, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

XXIV. **Return of Protected Health Information Upon Termination**. Upon termination of the Agreement, Business Associate shall: (a) if feasible, return or destroy all Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of, the Covered Entity that Business Associate still maintains in any form, and Business Associate shall retain no copies of such information; or (b) if Business Associate reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

XXV. **Obligations of Covered Entity**

A. Upon request of Business Associate, Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR §164.520.

B. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

C. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information to which Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

XXVI. **Amendment**. If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Covered Entity may, on thirty (30) days written notice to Business Associate, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

XXVII. **Indemnification**. Each of the parties shall indemnify, defend and hold harmless the other and its directors, officers, employees and agents from and against any and all third party liabilities, costs, claims and losses including, without limitation, the imposition of civil penalties by HHS under HIPAA, arising from or relating to the breach by either party or any of its directors, officers, employees or agents (including subcontractors) of the terms of this Agreement.

XXVIII. **Conflicting Terms**. In the event of any terms of this Agreement conflict with any terms of the Agreement, the terms of this Agreement shall govern and control.

"COVERED ENTITY"	"**BUSINESS ASSOCIATE**"
_____, a professional corporation	_____
By: _____ Signature	By: _____ Signature
By: _____ Printed Name	By: _____ Printed Name
Its: _____	Its: _____

EXHIBIT M-3

MANAGEMENT AGREEMENT (FLORIDA)

EXHIBIT M

MANAGEMENT AGREEMENT

(For Use in Florida)

THIS MANAGEMENT AGREEMENT ("Agreement") is made effective as of _____, 20__ by and between _____, a [State] [corporation/limited liability company], having its principal place of business at _____ (the "Company"), and _____, a _____ Florida [professional corporation/professional limited liability company/professional association/professional service corporation], having its principal place of business at _____ (the "P.C."). [This defined term may be adapted to correspond to the applicable business form (i.e., P.L.L.C.).]

WHEREAS, the P.C. has been incorporated under the laws of the State where it will render chiropractic services to its patients;

WHEREAS, the P.C. desires to establish and operate a chiropractic clinic and provide chiropractic services (the "Clinic") at _____ (the "Premises") and to obtain certain equipment, furnishings, office space and management services for the P.C. from the Company; and

WHEREAS, the Company is ready, willing, and able to provide equipment, furnishings, office space and management services to the P.C. in connection with the Clinic.

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Representations and Warranties.

Representations and Warranties of the Company. The Company represents and warrants to the P.C. that at all times during the term of this Agreement, the Company is a [corporation/limited liability company] duly organized, validly existing and in good standing under the laws of the State of _____.

Representations and Warranties of the P.C. The P.C. represents and warrants to the Company that at all times during the term of this Agreement:

The P.C. is a [professional corporation/professional limited liability company/professional association/professional service corporation] duly organized, validly existing and in good standing under the laws of the State of Florida and is duly licensed and qualified under all applicable laws and regulations to engage in the practice of chiropractic medicine in the State of Florida.

Each of the professionals employed or engaged by the P.C. to render services at the Clinic is duly licensed, certified, or registered, to render the professional services at the Premises, for which he or she has been employed or engaged by the P.C.

The P.C. will establish and enforce procedures to ensure that proper and complete patient records are maintained regarding all patients of the P.C. as required by Section 4.9 below, applicable law and by the rules and regulations of any applicable governmental agency (collectively "Laws").

Furnishings and Equipment, Use of Premises, Trade Name.

Title and Maintenance. During the term of this Agreement, the Company grants to the P.C. the exclusive right to use the equipment and furnishings specified in Exhibit A hereto, and as amended (the "Equipment and Furnishings"), on the terms and conditions hereinafter set forth. The P.C. shall use, and shall cause its Providers (as defined in Section 4.2, below) to use, the Equipment and Furnishings in connection with the Clinic in a manner that the P.C. determines is in the best interest of its patients. Title to the Equipment and Furnishings, including any improvements, shall be and remain in the Company at all times; provided however, that consistent with the requirements of Fla. Stat. § 460.4167(3), as in effect as of the effective date of this Agreement, the P.C. shall maintain complete care, custody and control of chiropractic equipment and chiropractic materials, and the chiropractic practice conducted by P.C., during the Term. The P.C. agrees to take no action that would adversely affect the Company's title to or interest in the Equipment and Furnishings. During the term of this Agreement, the Company shall be responsible for maintaining the Equipment and Furnishings in good condition and repair, reasonable wear and tear from normal use excepted, including, where necessary, the replacement or substitution of parts; provided however, that with respect to chiropractic equipment, the Company shall make such repairs, replacements or substitution as directed by the P.C. All maintenance, repair and replacement, if necessary, of the Equipment and Furnishings shall be performed by the Company on behalf of the P.C., in accordance with Section 3.1 of this Agreement. The P.C. agrees to assume the cost and expense of all supplies used in connection with the Equipment and Furnishings, and the P.C. agrees to make the Equipment and Furnishings available for inspection by the Company or its designee at any reasonable time.

Liens, Encumbrances, Etc. The P.C. shall not directly or indirectly create or suffer to exist any mortgage, security interest, attachment, writ or other lien or encumbrance on the Equipment and Furnishings, and will promptly and at its own expense, discharge any such lien or encumbrance which shall arise, unless the same shall have been created or approved by the Company.

Use of Premises. The Company will provide as a license to use space, the use of the Premises in which the P.C. shall conduct and provide its chiropractic services at the Clinic during the term of this Agreement. This Agreement shall not be construed as a lease or sublease of the Premises, and shall not be deemed to create a relationship between a landlord and a tenant. The P.C. shall have no rights as a lessee of or any other possessory or occupancy rights to or any interest in the Premises except for the right to perform professional chiropractic services on the Premises as expressly set forth in this Agreement.

Return of Equipment and Furnishings. Upon the termination or expiration, as applicable of this Agreement, the Company shall retain all Equipment and Furnishings and the P.C. will relinquish control thereof free and clear of all liens, encumbrances, and right of others as expressly set forth in this Agreement.

Assignment. The P.C. shall not assign any of its rights hereunder to the use of the Equipment and Furnishings to any third party, without the prior written consent of the Company.

Reporting. In addition to P.C.'s right to approve the initial Equipment and Furnishings identified in Exhibit A, the P.C. shall advise the Company with respect to the selection of additional and replacement Equipment and Furnishings for the Clinic, and with respect to any proposed additions or improvements to the Equipment and Furnishings. The P.C. may refer the patient for consultation or treatment elsewhere, if the P.C. deems such to be in the best interest of its patient(s). The P.C. hereby approves the use of the Equipment and Furnishings identified in Exhibit A hereto. The Equipment and Furnishings in Exhibit A will be furnished by the Company at no additional expense to the P.C. However, if P.C. chooses to use different Equipment and Furnishings that is still therapeutic in nature, this will be treated as an additional expense of the P.C. The P.C. will ensure that all Equipment and Furnishings are used in a safe and appropriate manner. The P.C. shall promptly notify the Company of any defective Equipment or Furnishings.

Use of Trade Name. The Company shall provide P.C. with a revocable license to use the name "100% Chiropractic®" for the Clinic (the "Name"), and the Name shall be used by the P.C. in conformity with all applicable Laws.

General Responsibilities of the Company. Except as otherwise provided in this Agreement, the Company shall have responsibility for general management and administration of the day-to-day business operations of the P.C., exclusive of chiropractic, professional and ethical aspects of the P.C.'s chiropractic Clinic, in all respects subject to applicable Laws.

Maintenance, Repair and Servicing of Equipment and Furnishings. During the term of this Agreement, the P.C. engages the Company and the Company agree to perform or arrange for the performance of, all maintenance, repair, and servicing as may be necessary for the Equipment and Furnishings to be maintained in good working condition, reasonable wear and tear excepted.

Administrative and Management Services.

The Company shall provide, or arrange for the provision of, certain business, management and administrative services of a non-clinical nature necessary or appropriate for the proper operation of the P.C. (the "Management Services"), as described below. The Company shall be the exclusive provider to the P.C. of such Management Services. The P.C. shall not obtain any Management Services from any source other than the Company, except with the prior written consent of the Company. Subject to P.C.'s oversight and ultimate authority over all issues, Company is expressly authorized to take such actions that Company, in the exercise of reasonable discretion, deems necessary and/or appropriate to fulfill its obligations under this Agreement and meet the day-to-day requirements of P.C., including the responsibility and commensurate authority to provide full service management services for P.C. as set forth in this Agreement, including supplies, support services, third party contracting, quality assurance, educational activities, risk management, billing and collection services, management, administration, financial record keeping and reporting, and other business services as provided in this Agreement. The Company is authorized to contract with third parties, including one or more of its affiliates, for the provision of services, Equipment and Furnishings and personnel needed to

perform its obligations under this Agreement. Any contracts with such affiliates shall be arms' length agreements on terms reasonably available from reasonably efficient competing vendors. Nothing herein shall be construed to interfere with P.C.'s or its licensed providers' professional judgment or actions with respect to the diagnosis and treatment of any of their patients.

The Management Services to be provided by the Company for the Clinic shall include, but not be limited to, the following:

business planning;

financial management, including causing royalty payments to be made to the Franchisor, TACTIC Franchising, LLC, causing annual financial statements to be prepared for the P.C., providing to the P.C. the data necessary for the P.C. to prepare and file its tax returns and make any other necessary governmental filings, paying on behalf of the P.C., the P.C.'s Monthly Obligations (as defined in Section 4.4(d) hereof);

bookkeeping, accounting, and data processing services;

maintenance of patient records owned and maintained by the P.C. in accordance with procedures established by the P.C. pursuant to Section 1.2(c) above;

materials management, including purchase and stock of office supplies and maintenance of Equipment and Furnishings and facilities, subject to the P.C.'s approval of the selection of chiropractic equipment for the Clinic;

administering or causing to be administered any welfare, benefit or insurance plan or arrangement of the P.C.;

coordinate human resources management, including primary direction of recruitment, training, and management of all Administrative Staff (defined in Section 3.3 below);

billing to and collection from all payors, on behalf of and in the name of the P.C., accounts receivable and accounts payable processing, all in accordance with the P.C.'s instructions and final approval made in consultation with the Company;

administering utilization, cost and quality management systems that are established in accordance with Section 4.3;

developing a marketing program which includes the design, procurement, and monitoring of electronic and print advertising of the Clinic, in conformity with the requirements of applicable Laws;

arrange for the P.C. to obtain and maintain malpractice and other agreed upon insurance coverages;

providing administrative services in connection with the P.C.'s advertising, marketing and promotional activities of the Clinic, subject to the P.C.'s approval of

the materials used to advertise, market and promote the Clinic and provided, however, that such advertising, marketing, and promotional activities shall not include efforts related to recruit patients for the Clinic or the P.C.;

arranging for necessary legal services except with respect to any legal dispute between the P.C. and the Company;

performing credentialing support services such as application processing and information verification;

developing and providing OSHA compliance programs and consulting;

developing and providing P.C. with consulting services regarding pricing and membership plan strategies for the Clinic, subject to the requirements of applicable provisions of Law. Notwithstanding the foregoing, the parties expressly acknowledge and agree that all policies and decisions relating to pricing, credit, refunds and warranties shall be established in compliance with applicable Laws; and

to the extent not included in any of the services listed in Section 3.2(b)(i) – (xvi) providing:

relationship development with Chiropractic schools;

personnel training and orientation in non-chiropractic areas;

monitoring of industry developments and strategic planning;

payroll processing;

public relations;

facilities management;

coordination and negotiation of clinic financing efforts;

clinic remodels;

continuing education programs;

client scheduling design software;

coordinate client service and complaint handling, provided that any clinical complaints shall be directed to the P.C. or its providers;

clinic management analysis;

internal publications development and distribution;

conference and travel coordination; and

administration of committees.

The Company shall not provide any of the following services to the Clinic:

the assignment of Providers to treat patients, including determining how many patients a chiropractor must see in a given period or how many hours a chiropractor must work;

assumption of responsibility for the care of patients including the treatment options available;

serving as the party to whom bills and charges are made payable;

determining what diagnostic tests are appropriate for a particular condition;

determining the need for referrals to or consultation with another healthcare provider; and

any activity that involves the practice of chiropractic medicine and the provision of chiropractic services or that would cause the Clinic to be subject to licensure under applicable laws and regulations in Florida.

Administrative Staff. Subject to P.C.'s oversight and ultimate authority (including ratification of all non-chiropractic personnel who indirectly are involved in patient care (the "Non-Chiropractic Personnel"), Company may recommend for employment and termination the employment of all Non-Chiropractic Personnel as Company will deem necessary or advisable ("Administrative Staff"), and will be responsible for the supervision, direction, training and assigning of duties of all Non-Chiropractic Personnel, with the exception of activities, if any, carried on by Non-Chiropractic Personnel which must be under the direction or supervision of licensed chiropractors in accordance with applicable law and regulations. Unless otherwise specifically agreed in writing, Company shall administer compensation, benefits, and scheduling of all Non-Chiropractic Personnel providing any services for or on behalf of P.C., and such personnel will be employees or independent contractors employed or engaged by Company.

Patient Records. The Company shall preserve the confidentiality of any patient records that it stores on behalf of the P.C., including the restriction of access to such records by its own personnel to only those whose specific job description requires access to such information on a routine basis.

Performance Standards. All Management Services provided hereunder shall be subject to commercially reasonable performance standards agreed to by the parties from time to time.

Responsibilities of the P.C.

Professional Services. During the term of this Agreement, the P.C. shall be solely responsible for all aspects of the diagnostic, therapeutic and related professional services delivered by the Providers at the Clinic, and for the selection, training, professional direction, supervision, employment or engagement, and termination of all Providers. Company will provide assistance to P.C. in recruiting and evaluating prospective chiropractors and support personnel as employees or independent contractors of P.C. P.C. will make all decisions relating to hiring, training, managing, and termination of all Providers (defined in Section 4.2). At the request of P.C., Company will administer compensation, benefits, and scheduling of Providers on behalf of the P.C. as directed by P.C., which shall exclusively oversee and direct all clinical and patient care activities. In addition, the P.C. shall be solely responsible for the following determining what diagnostic tests are appropriate for a particular condition; determining the need for referrals to or consultation with another chiropractor/specialist; and the overall care of the patient, including the treatment options available.

Time Commitment. The P.C. shall employ or engage and make available to the Clinic, sufficient chiropractors and other professionals, authorized to engage to the extent permitted by law in the chiropractic services provided by the Clinic (collectively referred to as "Providers") in adequate numbers to meet the chiropractic needs of the patients of the Clinic. The P.C. shall establish the Clinic's hours of operation and provide such services during normal business hours, as established in consultation with the Company. The P.C. shall ensure that all work and coverage schedules meet the needs of patients of the P.C. in a competent, timely and responsive manner. The P.C. shall determine how many patients a chiropractor must see in a given period of time or how many hours a chiropractor must work.

Quality of Service. The P.C. shall establish and enforce procedures to assure the appropriateness, necessity, consistency, quality, cost effectiveness and efficacy of all chiropractic services provided to patients of the Clinic. The P.C. shall require each of its Providers who are licensed, registered or certified to perform professional services to participate in and cooperate with any utilization management, quality assurance, risk management, patient care assessment, continuous quality improvement, accreditation or other similar program or study to review the performance such Providers as may be required by the P.C., governmental agencies, professional review organizations, accrediting bodies, or health care entities or other third parties with which the P.C. may contract or affiliate.

Billing and Collection.

The Company shall bill and use its best efforts to collect for all services rendered by the P.C. and its Providers hereunder and for all access and membership fees as agent for the P.C. in accordance with P.C.'s instructions and final approval made in consultation with the Company regarding coding and billing procedures for professional services provided by the P.C. All of the payments with respect to such services shall be made by cash or by check, electronic funds transfer, or credit card payable to the P.C. and shall be deposited into a bank account of the P.C. (the "Concentration Account") with a bank mutually agreed to by the Company and the P.C. (the "Account Bank"). The Company shall prepare and make available to the P.C. an accounting of receipts attributable to services provided by the P.C., and receipts attributable to services provided by the Company.

The P.C. shall, and shall cause its Providers to, promptly endorse and deliver to the Company all payments, notes, checks, money orders, remittances and other evidences of indebtedness or payment received by the P.C. or its Providers, with respect to all accounts, contract rights, instruments, documents, or other rights to payment from time to time arising from the rendering of chiropractic services by the P.C. and its Providers, for access or membership fees, or otherwise relating to the business of the P.C., together with any guarantees thereof or securities therefore which are generated during the term of this Agreement. The Company is hereby granted a special power of attorney with respect to the Concentration Account and shall have the power and authority to deposit into, and withdraw funds from, all such accounts as may be required to pay P.C.'s Expenses (as defined in Section 4.13 below). The P.C. shall notify the banking institution of the Concentration Account, and shall cause one or more employees or agents designated by the Company to be listed as a signatory on that account.

With respect to funds deposited in the Concentration Account (the "P.C.'s Revenues"), the Company shall separately and accurately account for the receipt, use, disposition, and interest gained on the P.C.'s Revenues.

On at least a monthly basis, the Company shall prepare an invoice to the P.C. describing the expenses of the P.C. that the Company has paid. The Company shall pay all of the current month's P.C. Expenses, as defined in Section 4.13 hereof and the current month's Management Fee as defined in Section 5 hereof (collectively, the "P.C.'s Monthly Obligations"). In the event that the P.C.'s Revenue (including the current month's interest earned on the P.C.'s Revenue) is insufficient to pay fully the P.C.'s Monthly Obligations, the Company may advance to the P.C. an amount equal to the deficit (the "Deficit Advance") by depositing such amount in the Concentration Account. The amounts of the Deficit Advances shall accrue and the P.C. shall be obligated to pay such amounts upon the termination of this Agreement. In the event that there is a monthly profit that exceeds the P.C.'s Monthly Obligations (the "Monthly Profits"), then the Company shall use such amount to repay any prior Deficit Advances made by the Company (if any) together with interest accrued thereof.

Licensure. The P.C. shall ensure that each Provider associated with P.C. maintains, if applicable, an unrestricted license to practice chiropractic or other health care profession, or to be engaged in his or her particular field of expertise in the State of Florida and, to the extent that Providers provide professional services in other states, that such individuals maintain comparable unrestricted licensure in such other jurisdictions. Each Provider shall have a level of competence, experience and skill comparable to that prevailing in the community where such Provider provides professional services.

Continuing Education. The P.C. shall ensure that each Provider shall obtain the required continuing professional education for his or her specialty in each state where such Provider provides professional services and shall provide documentation of the same to the Company.

Disciplinary Actions. The P.C. shall, and shall cause each of its Providers to, disclose to the Company during the term of this Agreement: (i) the existence of any proceeding against any Provider instituted by any plaintiff, governmental agency, health care facility, peer review organization or professional society which involves any allegation of substandard care or

professional misconduct raised against any Provider, and (ii) any allegation of substandard care or professional misconduct raised against any Provider by any person or agency during the term of this Agreement.

Outside Activities.

The P.C. and its Providers shall devote their best efforts to fulfill their obligations hereunder. The P.C. and its Providers shall not engage in any other professional activities, whether or not such business activity is pursued for gain, profit, or other pecuniary advantage, which would interfere with the performance of the P.C.'s duties hereunder, without the prior written consent of the Company, which consent shall not be unreasonably withheld. The P.C. shall assure that each of its Providers shall not provide chiropractic services other than on behalf of the P.C., unless such activity is disclosed in writing to and is expressly authorized in writing by the Company. In the event that any of the P.C.'s Providers shall violate any provision of this Section 4.8(a), the P.C.'s President shall immediately notify the Company of such activity and the P.C. shall immediately take all necessary and appropriate corrective action to cease such activity.

Except as otherwise approved in advance by the Company, and to the extent permitted by law, all amounts collected by the P.C. for chiropractic services, regardless of the source of payment, shall be assigned and belong to the Company including honoraria, royalties, revenues from patents, copyrights or other licensable intellectual property, revenues from teaching and supervising licensees-in-training and revenues from other professional activities ("Outside Income").

Patient Records.

The P.C. and its Providers shall maintain, in a timely manner, complete, accurate and legible records for all patients of the Clinic, and all such patient records shall be the property of the P.C. The P.C. and its Providers shall comply with all applicable laws, regulations and ethical principles concerning confidentiality of patient records.

The P.C. shall own and control all patient chiropractic records, including determining the contents thereof. The P.C. shall grant the Company access to the information contained in the patient records owned by the P.C. and completed by the Providers to the extent that access to such information is permitted by applicable Laws and is required in connection with the Company's administrative responsibilities hereunder. The P.C. agrees that, upon the termination of this Management Agreement (as permitted by applicable laws), the P.C. will transfer the original, or at P.C.'s discretion, complete copies of all of the P.C.'s patient records to a successor P.C. or a licensed chiropractor identified by the Company who will provide chiropractic services at the Premises or ensure that such records are transferred to a successor P.C. that will provide chiropractic services at the Premises. Notwithstanding the foregoing, such successor P.C. or chiropractor shall be obligated to transfer a patient's record in accordance with the patient's request.

As required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the parties shall comply with the terms of the Business Associate Agreement attached as Exhibit B of this Agreement.

Credentialing. The P.C. shall participate and cooperate in and comply with any credentialing program established from time to time by the Company.

Fees for Professional Services. The P.C. shall be solely responsible for legal, accounting, and other professional service fees it incurs, except as otherwise provided herein.

Standards of Care. The P.C. and its Providers shall render services to patients hereunder in a competent and professional manner, in compliance with generally accepted and prevailing standards of care and in compliance with applicable statutes, regulations, rules, policies and directives of federal, state and local governmental, regulatory and accrediting agencies.

P.C. Expenses. The following expenses of the P.C. that are related to the Clinic ("P.C. Expenses") shall be paid by the Management Company, on behalf of the P.C. and at the direction of the P.C.:

Salaries, wages, benefits, (including health, life, and disability insurance coverage and all contributions under employee benefit plans), vacation and sick pay, employment and payroll taxes; and the cost of payroll administration and administration of benefits, for Providers employed by the P.C.;

Professional Corporation Fee paid to the Owner of the P.C. for clinical oversight of the Providers providing services at the Clinic totaling $500 per month for the first three months of the management relationship, and thereafter $1,200 per month or $14,400 per year, which Professional Corporation Fee may be adjusted annually by the parties to reflect the scope of the clinical oversight performed and fair market value, and any such adjustment in the Professional Corporation Fee shall be confirmed by written agreement of both Parties;

Cost of all new chiropractic and non-chiropractic Equipment and Furnishings and supplies obtained for use in the operation of the Clinic, and depreciation cost of all capital Equipment and Furnishings and items obtained for use in the operation of the Clinic in accordance with federal tax depreciation schedules for such equipment and items;

Expenses of comprehensive professional liability insurance, professional liability insurance for each Provider of the P.C. to the extent the P.C. is required to pay for such insurance pursuant to the terms of the Provider's employment agreement, comprehensive general liability insurance and property insurance coverage for the P.C.'s facility and operations, and worker's compensation and unemployment insurance coverage for all P.C. employees;

Interest expense on indebtedness (including capitalized leases) incurred with respect to debt obligations to fund the operation of, or the acquisition of capital assets for, the P.C.;

State and local business license taxes, professional licensure and board certification fees, sales and use taxes, income, franchise and excise taxes and other similar taxes, fees and charges assessed against the P.C. or the Providers;

Expenses incurred in the course of recruiting chiropractors, chiropractic receptionists and other professional staff to work for and/or join the P.C.; and

Any federal income taxes, including the cost of preparation of the annual income tax returns of the P.C. and its Providers.

The P.C. shall promptly notify the Company of all P.C. Expenses incurred, and shall provide the Company with all invoices, bills, statements and other documents evidencing such P.C. Expenses.

Management Fee.

In consideration of the Company (i) licensing to the P.C. the use of Equipment and Furnishings and the Name; (ii) permitting the P.C. to operate the Clinic and perform professional chiropractic services at the Premises; (iii) granting to the P.C. the right to use the personal property and leasehold improvement at the Premises; and (iv) providing all other services described in this Agreement, the P.C. hereby agrees to pay to the Company a monthly Management Fee that shall be comprised of the following components:

☐ A monthly management fee that shall be equal to **$[__]**

☐ An amount equal to **[__]%** of the P.C.'s Revenues, less actual cash refunds, returns, discounts, dishonored checks, contractual adjustments and allowances, all as determined in accordance with generally accepted accounting principles applied consistently throughout the period measured.

The Management Fee may be adjusted annually by the parties to reflect changes in the scope and/or nature of the Management Services and the fair market value thereof. Any such adjustment in the Management Fee shall be confirmed by written agreement of both Parties. The Management Fee shall be paid in accordance with Section 4.4(d). In the event that in any month the P.C.'s Revenue (including the current month's interest earned on the P.C.'s Revenue) is insufficient to pay fully the monthly Management Fee, the unpaid amount of the Management Fee shall accrue each month, and the P.C. shall be obligated to pay such amount until fully paid in accordance with Section 4.4(d). The parties agree that the Management Fee represents the fair market value of the items and services provided under this Agreement. Further, the parties acknowledge that the Management Fee is not based upon, or in no way take into account, the volume or value of referrals to the Clinic or is intended to constitute remuneration for referrals, or the influencing of such referrals, to the Clinic.

The portion of the Management Fee (i) allocable to the P.C.'s use of the Equipment and Furnishings and Name has been determined by the parties to equal the fair market value of the use of the Equipment and Furnishings and Name, respectively, and (ii) allocable to the provisions of all other services hereunder has been determined by the parties to equal the fair market value of such other services without taking into account the volume or value of any referrals

of business from the Company (or its affiliates) to the P.C. or the Providers, or from the P.C. or the Providers to the Company (or its affiliates).

The Manager may be eligible to be considered for annual bonus payments ("Performance Bonuses") by the P.C. during the Term at the discretion of the P.C. based on factors to be determined from time to time in relation to the services, benefits and efficiency provided to the P.C. by the Manager under this Agreement.

The Management Fee and any Performance Bonuses paid by the P.C. to the Company hereunder has been determined by the parties through good-faith and arm's length bargaining. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of, or recommending referral of, patients by the P.C. to the Company (or its affiliates) or by the Company (or its affiliates) to the P.C. In addition, the Management Fee charged hereunder does not include any discount, rebate, kickback, or other reduction in charge, and the Management Fee charged hereunder is not intended to be, nor shall it be construed to be, an inducement or payment for referral, or recommendation of referral, of patients by the P.C. to the Company (or its affiliates) or by the Company (or its affiliates) to the P.C.

Regulatory Matters.

The P.C.'s Providers shall at all times be free, in their sole discretion, to exercise their professional judgment on behalf of patients of the P.C. No provision of this Agreement is intended, nor shall it be construed, to permit the Company to affect or influence the professional judgment of any member of the P.C.'s Providers. To the extent that any act or service required or permitted of the Company by any provision of this Agreement may be construed or deemed to constitute the practice of chiropractic, the ownership or control of a chiropractic practice, or the operation of a clinic, said provision of this Agreement shall be void ab initio and the performance of said act or service by the Company shall be deemed waived by the P.C.

The parties agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to comply with the requirements of applicable Laws and with all ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any federal, state, municipal, local or other lawful authority applicable to the Clinic, and of any insurance company insuring the Clinic or the parties against liability for accident or injury in or upon the premises of the Clinic.

Insurance.

General Comprehensive Liability Insurance. During the term of this agreement, the Company shall obtain and maintain a comprehensive general liability insurance policy and such other insurances as may be required, in such amounts, with such coverages and with such companies as the Company may reasonably determine to be necessary and appropriate, as required by law or as are usual and customary. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional named insureds, and provide for third (30) days' prior

written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Equipment Insurance. The Company shall cause to be carried and maintained, at its own expense, insurance against all risks of physical loss or damage to the Equipment and Furnishings in an amount not less than the original purchase price or the replacement cost with like kind and quality at the time of loss, with such companies and as the Company shall reasonably determine, to the extent such coverage is not already provided under the general liability insurance policy required under Section 7.1. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional named insureds, and provided for thirty (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Malpractice Insurance. During the term of this Agreement, the P.C. shall arrange for the P.C. to obtain and maintain, at the P.C.'s expense, professional liability insurance covering the P.C. and its Providers, with limits of not less than [one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) in the aggregate], which the parties hereby agree are adequate amounts of coverage, or such other amount as required by law. In the event the P.C. has a "claims made" form of insurance in effect at any time during the term of this Agreement, the Company shall obtain, at P.C.'s expense, full "tail" coverage to cover any event that may have occurred during the term of this Agreement. The P.C. shall provide to the Company any information with respect to the P.C. or the Providers necessary for the Company to secure such professional liability insurance. These insurance policies must name TACTIC Franchising, LLC, the Company, and any of their respective affiliates that the Company or TACTIC Franchising, LLC designates as additional name insureds, and provide for thirty (30) days' prior written notice to the Company and TACTIC Franchising, LLC and of a policy's material modification, cancellation or expiration.

Indemnification by the P.C. The P.C. hereby agrees to indemnify, defend, and hold harmless the Company, and each of the Company's officers, directors, shareholders, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part out of any breach by the P.C. of this Agreement or any acts or omissions by the P.C. or its Providers in their performance of this Agreement, including, but not limited to, negligence of the P.C. or its Providers arising form or related to any of their professional acts or omissions to the extent that such is not paid or covered by the proceeds of insurance. The P.C. shall immediately notify the Company of any lawsuits or actions, or any threat thereof, against P.C. or any Provider, or the Company, which may become known to the P.C.

Indemnification by the Company. The Company hereby agrees to indemnify, defend, and hold harmless the P.C., and each of its officers, managers, members, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part, out of any breach by the Company of this Agreement or any willful or grossly negligent act or omission by the

Company in its performance of this Agreement, to the extent that such is not paid or covered by the proceeds of insurance. The company shall immediately notify the P.C. of any lawsuits or actions, or any threat thereof, against the Company, P.C. or any Provider that may become known to the Company.

Actions Requiring Company's Consent. As inducement to Company to enter into this Agreement, P.C. agrees that it shall not take certain governance actions without its designated Manager's consent. Therefore, notwithstanding anything in this Agreement to the contrary, P.C. agrees that the following actions by P.C. shall be void unless undertaken with the prior written consent of Manager:

The issuance, reclassification, recapitalization, redemption of capital stock of P.C. or of any security convertible into shares of capital stock of P.C., without prior consultation and written consent of Manager;

The payment of any dividends on the capital stock of P.C. or other distribution to the shareholders of P.C., without prior consultation and written consent of Manager;

Any consolidation, conversion, merger or stock/share exchange of P.C. without prior consultation and written consent of Manager;

Any sale, assignment, pledge, lease, exchange, transfer or other disposition (without prior consultation and written consent of Manager), excluding salaries, but including without limitation a mortgage or other security device, of assets, including P.C.'s accounts receivable, constituting in the aggregate five percent (5%) or more (in any transaction or series of transactions over any consecutive five (5) year period) of the total assets of P.C. at the end of its most recent fiscal year ending prior to such disposition; and

The dissolution or liquidation of P.C.

Non-Solicitation.

To the extent permitted by applicable Laws, the P.C. shall not, during the term of this Agreement and for a period of one (1) year from the date of termination or expiration of this Agreement, and shall ensure that its Providers shall not, during the term of their employment by the P.C. and for a period of one (1) year thereafter, solicit for employment, verbally or in writing, employ or offer employment to any employee or former employee of the Company or its affiliates, including, but not limited to any personnel provided by the Company to P.C. hereunder, without the prior written consent of the Company.

To the extent permitted by law, during the term of any Provider's employment with the P.C. and for a period of one (1) year after the termination or expiration of any such Provider's employment agreement with the P.C., such Provider shall not, without the express written consent of the P.C., solicit verbally or in writing, any patient or former patient of the P.C., or otherwise interfere with such patient or former patient's relationship with the P.C. in connection with the provisions of chiropractic services. Upon termination of any Provider's employment with the P.C., the P.C. shall promptly notify the Provider's patients of how and where to contact the Provider.

In the event that any of the P.C.'s Providers shall violate any provision of this Section 11, the P.C.'s President shall immediately notify the Company of such activity and the P.C. shall immediately take all necessary and appropriate corrective action.

Company agrees to waive up to five thousand dollars ($5,000) in outstanding Management Fees owed by the P.C. at termination of this Agreement, pursuant to Section 5(a), as consideration for the non-solicitation provisions set forth in Section 11(a) and (b) above.

Proprietary Rights. The P.C. recognizes and acknowledges that all records, files, reports, protocols, polities, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Company (or its affiliates) in rendering services hereunder, or relating to the operations of the company (or its affiliates), belong to and shall remain the property of the Company, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Company's business ("Confidential Information"). The P.C. shall not, and shall assure that each of its Providers shall not, during or after the term of this Agreement, disclose any Confidential Information of the Company (or its affiliates), or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Company or its respective affiliates. Nothing herein is intended to refer to a patient health or treatment records.

Enforcement.

The P.C. recognizes and acknowledges that all records, files, reports, protocols, policies, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Company (or its affiliates) in rendering services hereunder, or relating to the operations of the Company (or its affiliates), belong to and shall remain the property of the Company, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Company's business ("Confidential Information"). The P.C. shall not, and shall assure that each of its Providers shall not, during or after the term of this Agreement, disclose any Confidential Information of the Company (or its affiliates), or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Company or its respective affiliates.

All works, discoveries and developments, whether or not copyrightable, relating to the Company's present, past or prospective activities, services and products ("Inventions") which are at any time conceived or reduced to practice by P.C. and/or any of its Providers, acting alone or in conjunction with others, in connection with the Company's management of the P.C. or, during the course of the P.C.'s employment or engagement of Providers (or, if based on or related to any Confidential Information, made by P.C. and/or any Provider during or after such management by the Company or employment or engagement by the P.C.) and all concepts and ideas known to P.C. or any Provider at any time during the Company's management of the P.C. which relate to the Company's present, past or prospective activities, services and products ("Concepts and Ideas") or any modifications thereof held by or known to P.C. and/or any Provider on the date of this Agreement or acquired by P.C: and/or any Provider during the term of this Agreement shall be the property of the Company, free of any reserved or

other rights of any kind on P.C. and/or 'any Provider's part in respect thereof, and P.C. and/or any such Provider hereby assign all rights therein to the Company.

P.C. and/or its Providers shall promptly make full disclosure of any such Inventions, Concepts and Ideas or modifications thereof to the Company. Further, P.C. and/or its Providers shall, at the Company's cost and expense, promptly execute formal applications for copyrights and also do all other acts and things (including, among others, executing and delivering instruments of further assurance or confirmation) deemed by the Company to be necessary or desirable at any time or times in order to effect the full assignment to the Company of P.C. and/or its Providers' rights and title to such Inventions, Concepts and Ideas or modifications, without payment therefor and without further compensation. In order to confirm the Company's rights, P.C. and/or its Providers will also assign to the Company any and all copyrights and reproduction rights to any written material prepared by P.C. and/or its Providers in connection with the Company's management of the P.C. or the Providers' employment or engagement by the P.C. P.C. and/or its Providers further understand that the absence of a request by the Company for information, or for the making of an oath, or for the execution of any document, shall in no way be construed to constitute a waiver of the rights of the Company under this Agreement. This Agreement shall not be construed to limit in any way any "shop rights" or other common law or contractual rights of the P.C. or the Company in or to any Inventions, Concepts and Ideas or modifications which the Company has or may have by virtue of the Company's management activities hereunder or the P.C.'s engagement of its Providers.

The P.C. agrees that the restrictive covenants set forth in Sections 11 and, 12 are reasonable in nature, duration and geographical scope. The P.C. further acknowledges that any violation of those restrictive covenants will cause the Company irreparable damage, which a monetary award would be inadequate to remedy, and that a court or arbitrator of competent jurisdiction may, in addition to monetary awards, enjoin any breach of, and enforce, such restrictive covenants by temporary restraining order, and preliminary and permanent injunctive relief without the need for the moving party to post any bond or surety. If a court or arbitrator of competent jurisdiction determines that any of the restrictive covenants set forth in Section 11 or 12 are unreasonable in nature, duration or geographic scope, then the P.C. agrees that such court or arbitrator shall reform such restrictive covenant so that such restrictive covenant is enforceable to the maximum extent permitted by law for a restrictive covenant of that nature, and such court shall enforce the restrictive covenant to that extent. If any court or arbitrator finds that the P.C. and/or any Provider has breached the restrictive covenants set forth in Sections 11 or 12 above, then such restrictive covenants shall be extended for an additional period equal to the period of such breach.

Employment Agreements. The P.C. agrees that it shall impose by contract on each of its Providers the obligation to abide by the applicable terms and conditions of this Agreement, including the restrictive covenants specified above. The Company and its affiliates are intended to be third-party beneficiaries of such contracts and the Company may, in its sole discretion, be a signatory to such contracts for purposes of enforcing against Providers the terms and conditions of this Agreement. Any liquidated damages paid to the P.C. by Providers pursuant to contracts between the P.C. and such Providers shall be assigned by the P.C. and paid over to the Company.

Term and Termination.

The term of this Agreement shall be for [coterminous with franchise agreement] years commencing on the date first written above, unless sooner terminated as set forth herein, and shall automatically renew for successive one (1) year terms unless either party gives the other at least ninety (90) days prior written notice of its intention not to renew prior to the expiration of then current term.

Either party may terminate this Agreement immediately upon the occurrence of any of the following events with regard to the other party: (i) the making of a general assignment for the benefit of creditors; (ii) the filing of a voluntary petition or the commencement of any proceeding by either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustments of indebtedness, reorganization, composition or extension; (iii) the filing of any involuntary petition or the commencement of any proceeding by or against either party for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension, which such petition or proceeding is not dismissed within ninety (90) days of the date on which it is filed or commenced; or (iv) suspension of the transaction of the usual business of either party for a period in excess of thirty (30) days.

The Company may terminate this Agreement immediately upon any of the following events:

The date of death of [Name of sole shareholder];

The date [Name of sole shareholder] is determined by a court of competent jurisdiction to be incompetent, or permanently disabled so as to be unable to render any professional services

The date [Name of sole shareholder] becomes disqualified under the

Bylaws of the P.C. or applicable law to be a shareholder of the P.C.;

The date upon which any of the shares of stock in the P.C. held by [Name of sole shareholder] are transferred or attempted to be transferred voluntarily, by operation of law or otherwise to any person;

The date upon which [Name of sole shareholder] ceases to provide chiropractic services in connection with the P.C.; or

The merger, consolidation, reorganization, sale, liquidation, dissolution, or other disposition of all or substantially all of the stock or assets of the P.C.

The Company may terminate this Agreement if the P.C. fails, within seven (7) days after receiving written notice from the Company, to remove from the Clinic any Provider who the Company determines has materially disrupted or interfered with the performance of the P.C.'s obligations hereunder. This provision shall not be construed as permitting the Company to control or impair the P.C.'s or the Providers' chiropractic judgment, professional performance or patient of care.

The Company may terminate this Agreement immediately upon written notice to the P.C. in the event of termination for any reason of any of the following agreements: (i) the Company's Operating Agreement or similar governing document, (ii) the employment agreement between the P.C. and _____(Doctor's name)

The Company may terminate this Agreement at any time with or without cause, by giving the P.C. forty-five (45) days' prior written notice.

Either party may terminate this Agreement upon thirty (30) days' prior written notice to the other party in the event of a material breach by the other party of any material term or condition hereof, if such breach is not cured to the reasonable satisfaction of the non-breaching party within thirty (30) days after the non-breaching party has given notice thereof to the other party.

Upon termination or expiration of this agreement by either party, the P.C. shall pay the Company any amounts owed to the Company under paragraph 5 hereof as of the date of termination or expiration.

Upon termination or expiration of this Agreement, the P.C. shall return to the Company any and all property of the Company which may be in the P.C.'s possession or under the P.C.'s control.

If, in the opinion (the "Opinion") of nationally recognized health care counsel selected by the Company, it is determined that it is more likely than not that applicable Laws in effect or to become effective as of a date certain, or if the Company or the P.C. receives notice (the "Notice") of an actual or threatened decision, finding or action by any governmental or private agency or court (collectively referred to herein as "Action"), which Laws or Action, if or when implemented, would have the effect of subjecting either party to civil or criminal prosecution under state and/or federal laws, or other material adverse proceeding on the basis of their participation herein, then the Company or the P.C. shall provide such Opinion or Notice to the other party. The parties shall attempt in good faith to amend this Agreement to the minimum extent necessary in order to comply with such Laws or to avoid the Action, as applicable, and shall utilize mutually agreed upon joint legal counsel to the extent practicable. If, within ninety (90) days of providing written notice of such Opinion or such Notice to the other party, the parties hereto acting in good faith are unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or alternatively, the parties mutually determine in good faith that compliance with such requirements is impossible or unfeasible, then this Agreement shall be terminated without penalty, charge or continuing liability upon the earlier of the following: the date one hundred and eighty (180) days subsequent to the date upon which any party gives written notice to the other party, or the effective date upon which the Law or Action prohibits the relationship of the parties pursuant to this Agreement. In the event of a termination of this Agreement in accordance with this Section 15(j), then the restrictions contained in Sections 11 and 12 of this Agreement shall be waived and shall be of no further effect.

Obligations After Termination. Except as otherwise provided herein or in any amendment hereto, following the effective date of termination of this Agreement:

The Company shall continue to permit the P.C. or its authorized representatives to conduct financial audits relating to the period this Agreement was in effect;

The P.C. shall cooperate with the Company to assure the appropriate transfer of patient cases and patient records;

Both the Company and the P.C. shall cooperate in connection with the termination or assignment of provider contracts and other contractual arrangements; and

Both the Company and the P.C. shall cooperate in the preparation of final financial statements and the final reconciliation of fees paid hereunder, which shall be calculated by the Company six (6) months after termination of this agreement; provided that in the event of a termination of this Agreement by the Company pursuant to Section 16(b), (c), or (d), the P.C. and any such Provider shall forfeit its (or his/her) rights to any future payment from the Company under this or any other agreement between the parties, except as may otherwise be agreed to by the Company in its discretion.

Return of Proprietary Property and Confidential Information. All documents, procedural manuals, guides, specifications, plans, drawings, designs, copyrights, service marks and trademark rights, computer programs, program descriptions and similar materials, lists of present, past or prospective patients, proposals, marketing and public relations materials, invitations to submit proposals, fee schedules and data relating to patients and the pricing of the Company's products and services, records, notebooks and similar repositories of or containing Confidential Information and Inventions (including all copies thereof) that come into P.C. and/or its Providers possession or control, whether prepared by P.C., its Providers, or others: (a) are the property of the Company, (b) will not be used by P.C. or its Providers in any way adverse to the Company or to the benefit of P.C. and/or its Providers, (c) will not be removed from the Company's premises (except as P.C. and/or its Providers' duties hereunder require) and (d) at the termination of this Agreement or engagement of such Providers, will be left with, or forthwith returned and/or restored to the Company, and P.C. and such Providers shall discontinue use of such materials.

Status of Parties. In the performance of the work duties and obligations under this Agreement, it is mutually understood and agreed that each party is at all times acting and performing as an independent contractor with respect to the other and that no relationship of partnership, joint venture or employment is created by this Agreement.

Force Majeure. Neither party shall be deemed to be in default of this Agreement if prevented from performing any obligation hereunder for any reason beyond its control, including but not limited to, acts of god, war, civil commotion, fire, flood or casualty, labor difficulties, shortages of or inability to obtain labor, materials or equipment, governmental regulations or restrictions, or unusually severe weather, plagues, epidemics, pandemics, outbreaks of disease or any other public health crisis, including quarantine or other restrictions, or governmental regulations superimposed after the fact. In any such case, the parties agree to negotiate in good faith with the goal of preserving this Agreement and the respective rights and obligations of the parties hereunder, to the extent reasonably practicable. It is agreed that financial inability shall not be a matter beyond a party's reasonable control.

Notices. Any notices to be given hereunder by either party to the other shall be deemed to be received by the intended recipient (a) when delivered personally, (b) the first business day following delivery to a nationally recognized overnight courier service with proof of delivery, or (c) three (3) days after mailing by certified mail, postage prepaid with return receipt requested, in each case addressed to the parties at the addresses set forth on page 1 above or at any other address designated by the parties in writing.

Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties.

No Rights in Third Parties. Except as provided in Section 14, hereof, this Agreement is not intended to, nor shall it be construed to, create any rights in any third parties, including, without limitation, in any Providers employed or engaged by the P.C. in connection with the Clinic.

Governing Law. This Agreement shall be construed and enforced under and in accordance with the laws of the State of Florida, and venue for the commencement of any action or proceeding brought in connection with this agreement shall be exclusively in the federal or state court in the State of Florida , County of _____ [Insert County where Clinic is located.]

Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible, and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.

Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to that term or any other term of this Agreement.

Rights Unaffected. No amendment, supplement or termination of this Agreement shall affect or impair any right or obligations which shall have theretofore matured hereunder.

Interpretation of Syntax. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

Successors. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective heirs, executors, administrators and assigns.

Further Actions. Each of the parties agrees that it shall hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

Non-Assignment. The P.C. may not assign this Agreement except with the prior written approval of the Company. The Company may assign this Agreement.

Access of the Government to Records. To the extent that the provisions of Section 1861(v)(1)(I) of the Social Security Action 42 U.S.C. § 1395x(v)(1)(I) are applicable to

this Agreement, the parties agree to make available, upon the written request of the Secretary of the Department of Health and Human Services or upon the request of the Comptroller General, or any of their duly authorized representatives, this Agreement, and other books, records and documents that are necessary to certify the nature and extent of costs incurred by them for services furnished under this Agreement. The obligations hereunder shall extent for four (4) years after furnishing of such services. The parties shall notify each other of any such request for records.

IN WITNESS WHEREOF, and intending to be legally bound, the parties hereto affix their signatures below and execute this Agreement under seal.

[P.C.]	[100% FRANCHISEE/ "Company"]
By:	By:
Its: President	Its:

EXHIBIT A

TO 100% MANAGEMENT AGREEMENT

EQUIPMENT/FURNISHINGS

[Insert "Supply List" for each Clinic]

EXHIBIT B

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "**Agreement**") dated _____, 20___ by and between _____, a professional service corporation) ("**Covered Entity**") and _____ management company (**"Business Associate"**), is entered into for the purpose of complying with the Health Insurance Portability and Accessibility Act of 1996, as amended by the Health Information Technology Act of 2009 (the **"HITECH Act"**), and the regulations promulgated under HIPAA and the HITECH Act (all of the foregoing collectively referred to as **"HIPAA"**).

XXIX. **Definitions**. For purposes of this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

A. **"Protected Health Information"** shall mean Individually Identifiable Health Information (as defined below) that is (a) transmitted by electronic media; (b) maintained in any electronic medium; or (c) transmitted or maintained in any other form or medium. "Protected Health Information" does not include Individually Identifiable health information in (x) education records covered by the Family Educational Right and Privacy Act, as amended (20 USC §1232(g) or (y) records described in 20 USC §1231g(a)(4)(B)(iv). For purposes of this definition, Individually Identifiable Health Information shall mean health information, including demographic information collected from an individual, that: (aa) is created or received by a health care provider (including the Covered Entity), health plan, employer or health care clearing house; and (bb) relates to the past. present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual and that (1) identifies the individual or (2) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.

B. **"Required by Law"** shall mean a mandate contained in law that compels the use or disclosure of Protected Health Information and that is enforceable in a court of law. **"Required by Law"** includes, but is not limited to, court orders and court-ordered warrants; subpoenas or summons issued by a court, grand jury, a governmental or tribal inspector general, or an administrative body authorized to require the production of information; a civil or an authorized investigative demand; Medicare conditions or participation with respect to health care providers participating in the program; and statutes or regulations that require such information if payment is sought under a government program providing public benefits.

Any terms used but not otherwise defined in this Agreement shall have the same meaning as the meaning ascribed to those terms in HIPAA.

XXX. **Permitted Uses and Disclosures**. Business Associate may use or disclose Protected Health Information received or created by Business Associate pursuant to the Agreement solely for the following purposes:

A. Business Associate may use or disclose Protected Health Information as necessary to carry out Business Associate's responsibilities and duties under the Agreement.

B. Business Associate may use or disclose Protected Health Information for Business Associate's proper management and administration or to fulfill any present or future legal responsibilities of Business Associate; provided, however, that if Business Associate discloses Protected Health Information to a third party under this Section II(b), Business Associate shall (i) obtain reasonable assurances from the person to whom the Protected Health Information is disclosed that it will be held confidentially and used or further disclosed only as Required by Law or for the purpose for which it was disclosed and (ii) obligate such person to notify Business Associate of any instances of which it is aware in which the confidentiality of the Protected Health Information has been breached.

C. Business Associate may use or disclose protected Information as Required by Law.

D. Any use or disclosure of Protected Health Information permitted hereunder shall be limited to the minimum amount necessary to accomplish the intended purpose of the use, disclosure or request and shall otherwise be in accordance with HIPAA.

XXXI. **Disclosure to Agent**. In the event Business Associate disclosed to any agent, including a subcontractor, Protected Health Information received from, or created or received by Business Associate on behalf of, the Covered Entity, Business Associate shall obligate each such agent to agree to the same restrictions and conditions regarding the use and disclosure of Protected Health Information as are applicable to Business Associate under this Agreement.

XXXII. **Safeguards**. Business Associate shall employ appropriate administrative, technical and physical safeguards, consistent with the size and complexity of Business Associate's operations, to prevent the use or disclosure of Protected Health Information in any manner inconsistent with the terms of this Agreement. Business Associate shall maintain a written security program describing such safeguards, a copy of which shall be available to the Covered Entity upon request.

XXXIII. **Reporting of Improper Disclosures**. Business Associate shall report to the Covered Entity any unauthorized or improper use or disclosure of Protected Health Information within five (5) business days of the date on which Business Associate becomes aware of such use or disclosure.

XXXIV. **Reporting of Disclosures of Security Incidents**. Business Associate shall report to the Covered Entity any Security Incident of which it becomes aware. For purposes of this Agreement, "Security Incident" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system; provided, however, that Business Associate shall not have any obligation to notify Covered Entity of any unsuccessful attempts to (i) obtain unauthorized access to F= Covered Entity's information in Business Associate's possession, or (ii) interfere with Business Associate's system operations in an information system, where such unsuccessful attempts are extremely numerous and common to all users of electronic information systems (e.g., attempted unauthorized access to information systems, attempted modification or destruction of data files and software, attempted transmission of a computer virus).

XXXV. **Mitigation**. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate in violation of the requirements of this Agreement.

XXXVI. **Access to protected health information by the Covered Entity**

A. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all Protected Health Information in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with access to or copies thereof in accordance with 45 CFR §§ 164.524.

B. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all information and records in Business Associate's possession necessary for the Covered Entity to provide patients or their representatives with an accounting of disclosures thereof in accordance with 45 C.F.R § 164.528.

C. Within ten (10) days of a request by the Covered Entity, Business Associate shall provide to the Covered Entity all protected Health Information in Business Associate's possession necessary for the Covered Entity to respond to a request by a patient to amend such Protected Health Information in accordance with 45 C.F.R. § 164.526. At the Covered Entity's direction, Business Associate shall incorporate any amendments to a patient's Protected Health Information made by the Covered Entity into the copies of such information maintained by Business Associate.

XXXVII. **Access of HHS**. Business Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of the Covered Entity, to HHS in accordance with HIPAA and the regulations promulgated thereunder.

XXXVIII. **Return of Protected Health Information Upon Termination**. Upon termination of the Agreement, Business Associate shall: (a) if feasible, return or destroy all Protected Health Information received from the Covered Entity, or created or received by Business Associate on behalf of, the Covered Entity that Business Associate still maintains in any form, and Business Associate shall retain no copies of such information; or (b) if Business Associate reasonably determines that such return or destruction is not feasible, extend the protections of this Agreement to such information and limit further uses and disclosures to those purposes that make the return or destruction of the Protected Health Information infeasible.

XXXIX. **Obligations of Covered Entity**

A. Upon request of Business Associate, Covered Entity shall provide Business Associate with the notice of privacy practices that the Covered Entity produces in accordance with 45 CFR §164.520.

B. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by an individual to use or disclose Protected Health Information, if such changes affect Business Associate's permitted or required uses and disclosures.

C. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of Protected Health Information to which Covered Entity has agreed in accordance with 45 CFR §164.522 to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

XL. **Amendment**. If any of the regulations promulgated under HIPAA are amended or interpreted in a manner that renders this Agreement inconsistent therewith, the Covered Entity may, on thirty (30) days written notice to Business Associate, amend this Agreement to the extent necessary to comply with such amendments or interpretations.

XLI. **Indemnification**. Each of the parties shall indemnify, defend and hold harmless the other and its directors, officers, employees and agents from and against any and all third party liabilities, costs, claims and losses including, without limitation, the imposition of civil penalties by HHS under HIPAA, arising from or relating to the breach by either party or any of its directors, officers, employees or agents (including subcontractors) of the terms of this Agreement.

XLII. **Conflicting Terms**. In the event of any terms of this Agreement conflict with any terms of the Agreement, the terms of this Agreement shall govern and control.

"COVERED ENTITY"	"**BUSINESS ASSOCIATE**"
_____, a professional corporation	_____
By: _____ Signature	By: _____ Signature
By: _____ Printed Name	By: _____ Printed Name
Its: _____	Its: _____

EXHIBIT N

AMENDMENT TO
WAIVE MANAGEMENT AGREEMENT

AMENDMENT TO FRANCHISE AGREEMENT
WAIVER OF MANAGEMENT AGREEMENT

THIS AMENDMENT ("Amendment") is made and entered into on this ____ day of _____, 20_ by and between TACTIC Franchising, LLC, a Delaware limited liability company ("Franchisor" or "we" or "us"), and _____, a _____ ("Franchisee" or "you").

RECITALS

A. We and you are parties to a 100% Chiropractic Franchise Agreement dated as of the same date as this Amendment (the "Franchise Agreement"), which pertains to the management and operation of a "100%" business at a facility operating under the name "100% Chiropractic" (which is referred to as a "Clinic") (together the management and operation of a Clinic will be referred to as the "Franchised Business") with the "Territory" as described in the Franchise Agreement. Your Clinic will be located and operated in the state of _____.

B. We and you wish to amend the terms of the Franchise Agreement as described below.

C. All capitalized terms not defined in this Amendment will have the meaning set forth in the Franchise Agreement, or the Management Agreement (as defined below).

AGREEMENT

NOW THEREFORE, we and you, in consideration of the undertakings and commitments of each party to the other party set forth herein and in the Franchise Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, mutually agree as follows:

1. Franchisee's Representations and Warranties:

a. You understand and agree that you are solely responsible for operating in full compliance with all laws that apply to your Franchised Business. The laws regulating the chiropractic medical industry include without limitation, federal, state and local regulations relating to: the practice of chiropractic medicine and the operation and licensing of chiropractic services; the relationship of providers and suppliers of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kick back laws; restrictions or prohibition on fee splitting; physician self-referral restrictions; payment systems for medical benefits available to individuals through insurance and government resources; privacy of patient records; use of medical devices; and advertising of medical services (together such are, "Medical Regulations").

b. You represent and warrant to us that: (1) you have conducted independent research regarding the Medical Regulations that are applicable to chiropractic services generally, and the Franchised Business specifically in the Territory, including retaining the services of

qualified professional advisers as necessary; (ii) you have verified that under the Medical Regulations applicable to your Franchised Business, you are permitted to both manage the Clinic and operate the Clinic, including hiring any chiropractic and other personnel and providing chiropractic services to patients at the Clinic.

c. You have requested that, based on your representations and warranties to us as to the Medical Regulations applicable to your Franchised Business, we waive the requirements of the Franchise Agreement which consist of: (i) entering into a management agreement with a P.C., which as a separate entity would operate the Clinic and provide all chiropractic services, and (ii) you refrain from providing any chiropractic services to patients or hiring and supervising medical providers, subject to all applicable Medical Regulations.

d. You acknowledge and agree that we are entering into this Amendment in reliance your representations and warranties. You understand and agree that your obligations to operate in compliance with Medical Regulations will continue throughout the term of the Franchise Agreement, and if there are any changes in Medical Regulations that would render your operation of the Clinic in violation of any Medical Regulation, you will immediately advise of such change and of your proposed corrective action to comply with Medical Regulations, including (if applicable) entering into a management agreement with a P.C.

e. You acknowledge and agree that by requesting us to permit you to perform all of the activities and obligations of the P.C. (rather than signing a management agreement with a P.C. that would operate the Clinic), you will incur all costs of both managing and operating the Clinic, including those costs that would otherwise be borne by the P.C. (such as obtaining all necessary licensing and certification for practicing chiropractic medicine and compensation of chiropractic professionals). You have researched the costs associated with both managing and operating the Clinic.

2. Based on your representations and warranties to us above, you and we agree as follows:

a. Notwithstanding anything to the contrary in the Franchise Agreement, including Section 1.2, you are not required by the Franchise Agreement to enter into a Management Agreement with a P.C., provided that you comply with applicable Medical Regulations.

b. Notwithstanding anything to the contrary in the Franchise Agreement, including Section 1.2, you are not restricted from providing chiropractic services to the Clinic's patients, or from hiring and supervising the chiropractors and employees who are legally authorized to provide chiropractic services to
patients of the Clinic.

c. Instead of entering into the Management Agreement with a separate P.C., you agree to be solely responsible for operating the Clinic and providing, or arranging for and supervising the provision of, chiropractic services to the patients of the Clinic. You, therefore, agree that you will perform all responsibilities and obligations of the "P.C." as set forth in the form of Management Agreement attached to this Amendment as Exhibit A (the "Management

Agreement"), which are hereby incorporated into this Amendment. Without limiting the foregoing, you acknowledge and agree that these obligations include:

(i) satisfying the representations and warranties of Section 1.2 of the Management Agreement;
(ii) selecting, maintaining, and using the Equipment and Furnishings in good condition and repair and in a safe and appropriate manner as described in Section 2 of the Management Agreement;
(iii) being responsible for all aspects of the diagnostic, therapeutic and related professional services delivered by the Providers at the Clinic; selecting, training, supervising and employing (or otherwise engaging) all Providers; ensuring that the Clinic and all Providers maintain all necessary licenses and credentials; establishing and maintaining quality and standards of patient care, as described in Section 4 of the Management Agreement;
(iv) maintaining malpractice and other insurance as described in Section 7 of the Management Agreement;
(v) indemnifying us as described in Sections 8 and 9 of the Management Agreement; and
(vi) complying with the non-solicitation requirements of Section 10 of the Management Agreement.

d. Instead of entering into the Management Agreement with a separate P.C., you agree to be solely responsible for providing the management and support services necessary for operating the Clinic. You, therefore, agree that you will perform all responsibilities and obligations of the "Company" as set forth in the Management Agreement, which are hereby incorporated into this Amendment. Without limiting the foregoing, you acknowledge and agree that these obligations include:

(i) providing the use of the Premises and Equipment and Furnishings as described in Section 2 of the Management Agreement;
(ii) providing the management and administrative services described in Sections 3 and 4 of the Management Agreement; and
(iii) ensuring that all insurance required by Section 7 of the Management Agreement is maintained.

e. Any reference in the Franchise Agreement to an obligation of, or requirement applicable to, the P.C. will be your obligation.

f. Any reference in the Franchise Agreement to the "Franchised Business" will include your activities in both managing and operating the Clinic.

3. Except as otherwise amended above, the Franchise Agreement is otherwise in full force and effect.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Amendment in duplicate on the day and year first above written.

FRANCHISOR	FRANCHISEE
TACTIC FRANCHISING, LLC a Delaware limited liability company	
_____	_____
By: Jason Helfrich, D.C., Manager	By: Its:
_____	
By: Vanessa Helfrich, D.C., Manager	

EXHIBIT O

STATE-SPECIFIC DISCLOSURES

STATE LAW ADDENDA
TO
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT

The following modifications are to the Franchisor's Disclosure Document and will supersede, to the extent then required by applicable state law, certain portions of the Franchise Agreement dated _____, 20____.

I. FRANCHISOR/FRANCHISEE RELATIONSHIP STATUTES (Including Renewal and Termination Rights)

For franchises governed by laws of the following states:

CALIFORNIA, COLORADO, HAWAII, ILLINOIS, INDIANA, IOWA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise:

ARKANSAS	Stat. Section 4-72-201 to 4-72-210
CALIFORNIA	Corporations Code Sections 31000 to 31516
CONNECTICUT	Gen. Stat. Section 42-133e to 42-133h
DELAWARE	Code, Tit. 6, Ch. 25, Sections 2551-2557
HAWAII	Rev. Stat. Section 482E-1 to 482E-12.
ILLINOIS	Rev. Stat. 815. ILCS 705/19 and 705/1 to 705/44
INDIANA	Stat. Sections 23-2-2.5.1 and 23-2-2.5.50
IOWA	Code Sections 523H.1 to H.17
MARYLAND	Business Regulation Code Ann. 14-201 to 14-233
MICHIGAN	Stat. Section 445.1501 to 445.1545
MINNESOTA	Stat. Section 80C.01 to 80C.22
MISSISSIPPI	Code Section 75-24-51 to 75-24-61
MISSOURI	Stat. Section 407.400 to 407-420.
NEBRASKA	Rev. Stat. Section 87-401 to 8-414
NEW JERSEY	Stat. Section 56:10-1
RHODE ISLAND	Gen. Laws 6-50-1 to 6-50-9
VIRGINIA	Code 13.1-557-57 to 13.1-574
WASHINGTON	Code Section 19.100.01 to 19.100.940
WISCONSIN	Stat. Section 135.01 to 135.065

These and other states may have court decisions that may supersede the Franchise Agreement in your relationship with the Franchisor, including the areas of termination and renewal of your franchise.

In addition,

CALIFORNIA: California Franchisees should note that we have the right to terminate your franchise for certain "extreme" defaults without providing you with a right to cure. These are defaults that, by their nature, are either not curable or egregious enough to warrant immediate termination, like the franchisee's abandonment of the franchise business, failure to pay franchise fees for more than 5 days after written notice of overdue payment, fraud in obtaining the franchise rights, unauthorized use of the licensed brand, unauthorized transfers, repeat noncompliance with lawful provisions of the franchise agreement, and several others.

We may also terminate your franchise agreement for "good cause", which is defined as your failure to substantially comply with any lawful requirement of the Franchise Agreement. In such case, we must give you 60 days' notice to cure all such breaches.

If we terminate or refuse to renew your franchise agreement, and we then occupy your leased premises, then we must pay you the original cost minus depreciation of all inventory, supplies, equipment, fixtures and furnishings purchased by you to operate the franchised business.

ILLINOIS Illinois franchisees should note that the conditions under which your franchise can be terminated, and your rights upon non-renewal are governed by Illinois laws, Illinois Complied status 815 ILCS 709/19 and 709/20.

Any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State 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.

INDIANA Indiana franchisees should note that Indiana Law provides that it is unlawful for a Franchise Agreement to contain certain provisions in the area of required purchases, modification, competition, increases in the price of goods on order termination and non-renewal, covenants not to compete, and limitations on litigation. Indiana law also prohibits franchisors from engaging in certain acts and practices, including coercion, refusing delivery of goods or services, denying the surviving spouse or estate of the Franchisee an opportunity to participate in the ownership of the franchise, unreasonable competition, unfair competition, unfair discrimination among franchisees, and using deceptive advertising.

MINNESOTA law requires that with respect to the franchises governed by Minnesota law, the Franchisor will comply with Minnesota. Statute 80C.14 subdivisions 3, 4, and 5 which require except in certain specific cases, that a Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may 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.

In accordance with Minnesota Rule 2860.4400J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80C.12, to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

_____
(Signature of Franchisee)

_____
(Name of Franchisee)

_____
(Title)

RHODE ISLAND Notwithstanding anything in this Agreement to the contrary, all Rhode Island located franchisees will be governed by the Rhode Island Franchise Investment Act.

WASHINGTON If any of the provisions of this Franchise Disclosure Document or the Franchise Agreement are inconsistent with the relationship provisions of R.C.W. 19.100.180 or other requirements of the Washington Franchise Investment Protection Act, the provisions of the Act will prevail over inconsistent provisions of the Franchise Disclosure Document and the Franchise Agreement with regard to any franchise sold in Washington.

WISCONSIN Chapter 135, Stats. Of the Wisconsin Fair Dealership Law supersedes any provisions of the Franchise Agreement that may be inconsistent with that law.

II. POST-TERM COVENANTS NOT TO COMPETE

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN

These states have statutes which limit the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

California Business and Professions Code	Sections 16,600 to 16.607
Michigan Compiled Laws	Section 445.771 et seq.
Montana Codes	SECTION 30-14-201
North Dakota Century Code	Section 9-08-06
Oklahoma Statutes	Section 15-217-19
Washington Code	Section 19.86.030

Other states have court decisions limiting the Franchisor's ability to restrict your activity after the Franchise Agreement has ended.

III. TERMINATION UPON BANKRUPTCY

For franchises governed by laws of the following states:

CALIFORNIA, CONNECTICUT, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, VIRGINIA, WASHINGTON, WISCONSIN

A provision in the Franchise Agreement which terminates the franchise upon the bankruptcy of the franchise may not be enforceable under Title 11, United States Code Section 101.

IV. LIQUIDATED DAMAGES PROVISIONS

The following states have statutes which restrict or prohibit the imposition of liquidated damages provisions:

CALIFORNIA	Civil Code Section 1671
INDIANA	IC 23.2-2.5-2
MINNESOTA	Rule 2860.4400

State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contact law, and state and federal court decisions.

For franchises governed by the laws of the state of MINNESOTA, liquidated damage provisions are void.

V. STATE ADDENDUMS

The following are Addendums for Franchises governed by the laws of the respective states as follows:

CALIFORNIA

Add to the Disclosure Document item 3, litigation, ~ (c), that neither FRANCHISOR nor any of the persons affiliated with FRANCHISOR set forth in Section 2 of the Disclosure Document are subject to any currently effective order of any National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78, et seq. suspending or expelling such persons from membership in such association or exchange.

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

The Franchise Agreement contains a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the law of Arizona. The Franchise Agreement currently restricts venue for arbitration and mediation to Arizona which might not be favorable if your location or you reside in a different state.

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

Section 31125 of the California Corporation Code requires the franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, prior to 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 §§31 000 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).

The Franchise Agreement requires litigation to be conducted in Arizona, but that could change. Requirements of litigation in jurisdiction other than where your franchise is located or where you reside may not be enforceable. Prospective franchisees are encouraged to consult legal counsel to determine the applicability of Arizona 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.

The Franchise Agreement may contain a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable**.**

Item 5 of the Disclosure Document is amended to include the following language:

"If Franchisor sells a multiple unit or other discounted franchise fee in California, it will comply with California Franchise Rule 310.100.2 regarding negotiated sales, to the extent applicable." The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000-31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 -20043).

Item 6 (Note 2) of the Disclosure Document is amended to include the following language:

The highest interest rate allowed by law in California for late payments is 10% annually.

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 requires binding arbitration. The arbitration will occur in Scottsdale, Arizona with the costs being borne by the prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

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.

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 or any other health care professional. 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.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by the franchisor, franchise seller, or other person acting on behalf of the franchisor. This provisions supersedes any other term of any document executed in connection with the franchise.

OUR URL IS: www.100percentchiropractic.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.

ILLINOIS

Illinois law governs the Agreements.

The payment of Initial and Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, arbitration may take place outside of Illinois.

Franchisees' rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

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.

Item 19 contains a 28-page financial performance representation based upon historical numbers from clinics in operation in FY 2022. Make sure to review these disclosures with a knowledgeable professional who will look out for your best interest.

_____

(Signature of Franchisee)

_____

(Name of Franchisee)

_____

(Title)

INDIANA

To the extent that Item 17 of the Disclosure Document and Section XVIII of the Franchise Agreement re inconsistent with the Indiana Deceptive Franchise Practice Law, which prohibits a prospective general release of any claims for liability imposed under it, the Indiana Deceptive Franchise Practice Law may supersede such inconsistent terms.

To the extent that Item 17 of the Disclosure Document and Section XXIV and Schedule 8 of the Franchise Agreement are in conflict with Section 2.7-1(9) of the Indiana Deceptive Franchise Practice Law, prohibiting non-competition agreements exceeding 3 years or an area greater than the exclusive area granted in the Franchise Agreement, Indiana law shall prevail.

Section 2.7-1(10) of the Indiana Deceptive Franchise Practice Law, which prohibits limiting litigation brought for breach of the agreement, supersedes items in this Disclosure Document and Franchise Agreement, to the extent that such items are inconsistent with Section 27-1(10) of the Indiana Deceptive Franchise Practice Laws.

MARYLAND

Item 17 of Disclosure Document and Section XXII of the Franchise Agreement requiring that franchisee sign a general release as a condition of purchase/renewal or assignment/transfer, may not be enforceable pursuant to the Maryland Franchise Registration and Disclosure Law, and are amended to the extent required by Maryland law. The requested release shall not apply to any liability under the Maryland Franchise Registration and Disclosure law.

Any provisions of the Disclosure Document or Franchise Agreement that require franchisee to disclaim the occurrence of or acknowledge the non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Provisions in the Disclosure Document and Franchise Agreement requiring franchisee to file any lawsuit in a court in the State of Arizona may not be enforceable under the Maryland Franchise Registration and Disclosure Law. Franchisees may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Item 17 of the Disclosure Document and Section XXV of the Franchise Agreement are amended accordingly to the extent required by Maryland law.

To the extent that Franchise Agreement requires, and the Disclosure Document discloses that a Franchisee must agree to a period of limitations of less than three years, this limitation to a period of less than three years shall not apply to any claims arising under the Maryland Franchise Registration and Disclosure Law.

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

Area Development Agreement - In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

On the next page is the form of release that will be request of Maryland franchisees as a condition to the franchisor’s consent to the transfer of the franchise.

FRANCHISOR: TACTIC FRANCHISING LLC

Signed: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

FORM OF RELEASE FOR MARYLAND FRANCHISEES

This Release is made on _____, 20___, between 100%, LLC, a Colorado limited liability company ("Franchisor") and its officers, directors and agents ("Affiliates"), and_____ ("Franchisee").

RECITALS

A. Franchisor and Franchisee entered into a Franchise Agreement dated _____, 20__ (the "Franchise Agreement") in which Franchisor granted Franchisee the right to locate, develop, and operate a 100% Chiropractic business (the "Franchised Business"), and Franchisee assumed obligations to locate, develop, and operate the Franchised Business.

B. As a condition to Franchisor's consent to the transfer of the Franchised Business, Franchisee is willing to release Franchisor from certain obligations arising from the Franchise Agreement and related agreements, and any claims Franchisee may have against each Franchisee as described herein.

AGREEMENT

1. RELEASE AND COVENANT NOT TO SUE

Subject to the terms of this Release, and in consideration for the consent described above, Franchisee and the undersigned individual guarantors, if applicable, hereby release and discharge and hold harmless Franchisor, its principals, agents, members, shareholders, officers, directors, employees, successors, assigns, subsidiaries, and affiliated groups and each of them ("Affiliates"), from any and all losses, claims, debts, demands, liabilities, actions, and causes of action, of any kind, whether known or unknown, past or present, that any of them may have or claim to have against Franchisor or its Affiliates and any of them before or on the date of this Release, arising out of or related to the offer, negotiation, execution, and performance of the Franchise Agreement, the operation of the Franchised Business, and all circumstances and representations relating to such offer, negotiation, execution, performance, and operation (collectively, "Released Claims", except as specifically reserved:

_____

_____

Franchisee and guarantors agree that Released Claims shall specifically include any claim or potential claims under the Title 14 Sections 14-201 through 14-233 of the Maryland Annotated Code and laws otherwise governing relationships between franchisors and franchisees. Franchisee and guarantors hereby covenant and agree that none of them will bring any action against Franchisor or its Affiliates in connection with any Released Claim.

2. NO ADMISSION

Nothing contained in this Agreement shall be construed as an admission of liability by either party.

3. NO ASSIGNMENT

Each party represents and warrants to the other that it has not assigned or otherwise transferred or subrogated any interest in the Franchise Agreement or in any claims that are related in any way to the subject matter of this Release. Each party agrees to indemnify and hold the other fully and completely harmless from any liability, loss, claim, demand, damage, costs, expense and attorneys' fees incurred by the other as a result of any breach of this representation or warranty.

4. ENTIRE AGREEMENT

This Release embodies the entire agreement between the parties and supersedes any and all prior representations, understandings, and agreements with respect to its subject matter. There are no other representations, agreements, arrangements, or understandings, oral or in writing, and signed by the party against whom it is sought to be enforced.

5. FURTHER ACTS

The parties agree to sign other documents and do other things needed or desirable to carry out the purpose of this Release.

6. SUCCESSORS

This Release shall bind and insure to the benefit of the parties, their heirs, successors, and assigns.

7. GOVERNING LAW; JURISDICTION

This Release shall be construed under and governed by the laws of the State of Arizona, and the parties agree that the courts in or nearest to Scottsdale, Arizona shall have jurisdiction over any action brought in connection with it, except to the extent that the Franchise Agreement is governed by the laws or venue provisions of another state.

8. SEVERABILITY

If any part of this release is held invalid or unenforceable to any extent by a court of competent jurisdiction, this Release shall remain in full force and effect and shall be enforceable to the fullest extent permitted, provided that it is the intent of the parties that it shall be entire, and if it is not so entire because it is held to be unenforceable, then this Release and the consent given as consideration for it shall be voided by frustration of its purpose.

9. VOLUNTARY AGREEMENT

Each party is entering into this Release voluntarily and, after negotiation, has consulted independent legal counsel of its own choice before signing it, is signing it with a full understanding of its consequences, and knows that is not required to sign this Release. The parties acknowledge and agree that this Release constitutes a release or waiver executed pursuant to a negotiated agreement between a Franchisee and a Franchisor arising after the Franchise Agreement has taken effect and as to which each part is represented by independent legal counsel.

100% Chiropractic Franchisee

By: _____

Its: _____

By: _____

Its: _____

MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

B. A requirement that a Franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a Franchisee of rights and protections provided in this act. This shall not preclude a Franchisee, after entering into a Franchise Agreement, from settling any and all claims.

C. A provision that permits a Franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the Franchisee to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure 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 applied only if:

1. The term of the franchise is less than 5 years; and

2. The Franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months' advance notice of Franchisor's intent not to renew the franchise.

E. A provision that permits the Franchisor to refuse to renew a franchise on terms generally available to other Franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

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

G. A provision which permits a Franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from

exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

1. The failure of the proposed transferee to meet the Franchisor's then current reasonable qualifications or standards.

2. The fact that the proposed transferee is a competitor of the Franchisor or Sub-Franchisor.

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

4. 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 bon 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 that 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:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
Lansing, Michigan 48913
Phone: 517/373-7117

MINNESOTA

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400J, may 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.

In accordance with Minnesota Rule 2860.440J, and to the extent required by law, the Disclosure Document and the Franchise Agreement are modified so that the Franchisor cannot require a franchisee to waive his or her rights to a jury trial or to waive rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or to consent to liquidated damages, termination penalties, or judgment notes; provided that this part shall not bar an exclusive arbitration clause.

Pursuant to Minn. Stat. Sec. 80c.12), to the extent required by this Minnesota law, the Franchise Agreement and Item 13 of the Disclosure Document are amended to state that the Franchisor will protect your right to use the primary trademark, service mark, trade name, logotype or other commercial symbol or indemnify us from any loss, costs or expenses arising out of any claim, suit, or demand regarding the use of the Franchisor's primary trade name.

All statements in the Disclosure Document and Franchise Agreement that state that Franchisor is entitled to injunctive relief are amended to read: "franchisor may seek injunctive relief" and a court will determine if a bond is required.

Minnesota Rule 2860.4400D prohibits the Franchisor from requiring a Franchisee to assent to a general release. The Disclosure Document and Franchise Agreement are modified accordingly, and to the extent required by law.

NEW YORK

FRANCHISE DISCLOSURE DOCUMENT

The cover page of the Franchise Disclosure Document will be supplemented with the following inserted at the bottom of the cover page:

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

Item 3 of the Franchise Disclosure Document: Add the following:

A. Neither we, our predecessors, a person identified in Item 2, nor an affiliate offering franchises under our principal trademark has an administrative, criminal, or civil action pending against the person alleging a felony, 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, or any pending actions other than routine litigation incidental to the business which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

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

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

Item 5 of the Franchise Disclosure Document: Add at the end of the last paragraph:

> The purpose of the initial fee is to pay for the franchisor's training, sales, legal compliance, salary, and general administrative expenses, and profit.

Section XXV(K) of the Franchise Agreement and Item 17 of the Franchise Disclosure Document: Add the following at the end:

> The foregoing choice of law should not be considered a waiver of any right conferred upon either the franchisee or the franchisor by the General Business Law of the State of New York Article 33.

Item 17 of the Franchise Disclosure Document: Modify the first paragraph to read as follows:

> **THIS TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AND RELATED AGREEMENTS PERTAINING TO RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION. YOU SHOULD READ THESE PROVISIONS IN THE AGREEMENTS ATTACHED TO THIS DISCLOSURE DOCUMENT.**

NORTH DAKOTA

I. Item 5 is amended by the addition of the following language to the original language:

> Refund and cancellation provisions do not apply to franchises operating under the North Dakota franchise Investment Law. If the Company elects to cancel the Franchise Agreement, the Company will be entitled to a reasonable fee for its evaluation of you and related preparatory work performed and expenses actually incurred. This amount may not be more than fifty percent (50%) of the Franchise Fee.

II. Item 5, Note 1, the last paragraph shall be amended to read as follows:

> If your Franchise Agreement is terminated, you may be required to continue royalty payments for so long as you or our assignee or successor continues to use our trademarks or systems in any way.

III. Item 6, Note 4, shall be amended to read as follows:

> Note 4: You must protect, indemnify, and hold us harmless against any claims or losses arising out of your operation of the franchise business. Each party will bear its own expenses of any litigation to enforce the agreement.

IV. Item 17 is amended by the addition of the following language to the original language:

A. A provision is the Franchise Agreement that terminates the Franchise Agreement on the bankruptcy of the franchisee may not be enforceable under Title II, U.S. Code, Section 101.

B. The erosion of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

C. The North Dakota Century Code, Section 9-08-06 limits the franchisor's ability to restrict your ability to restrict your activity after the Franchise Agreement has ended.

D. Under North Dakota law, liquidated damages provisions are void. State courts also restrict the imposition of liquidated damages. The imposition of liquidated damages is also restricted by fair practice laws, contract law, and state and federal court decisions. Thus, the provision requiring you to continue to pay amounts to franchisor if you elect to cancel the agreement may not be enforceable under North Dakota law.

V. Item 17 is amended to read as follows:

PROVISION	FRANCHISE AGREEMENT	SUMMARY

Your obligations on termination non-renewal	FA: XXIV	De-Identification, payment, non-disclosure, non-competition; you continue to pay royalties for so long as you use the trademarks if terminated for breach, unless you abandon the business, abide by post termination covenants, and release and indemnify us.

VI. Item 17: The Choice of Law and Arbitration sections are amended to read as follows:

A. The Franchise Agreement shall be governed by the laws of North Dakota.

B. Except as specifically otherwise provided in the Franchise Agreement, all contract disputes that cannot be amicably settled will be determined by arbitration under the Federal Arbitration Act and in accordance with the rules of the American Arbitration Association. Arbitration will take place at an appointed time and place in the county and state in which your franchised business is located. However, nothing in the Franchise Agreement limits or precludes the parties from brining an action in a court of competent jurisdiction for injunction or other provisional relief as needed or appropriate to compel a party to comply with its obligations or to protect the marks or the company's other property rights.

C. The Choice of Forum section is amended to delete the following:

Any action will be brought in the state or federal courts in or nearest to Scottsdale, Arizona.

FRANCHISE AGREEMENT

I. Article IX, concerning refunds of initial franchise fees and royalties, is amended to add the following:

Refund and cancellation provisions do not apply to franchisees operating under the North Dakota Franchise Investment Law. If Franchisor elects to cancel this Franchise Agreement, Franchisor shall be entitled to a reasonable fee for its evaluation of Franchisees and related preparatory work performed and expenses actually incurred. This amount shall be no more than fifty percent (50%) of the franchise fee.

II. Sections XXIII and XXII, relating to termination and transfer, are amended to add the following:

The execution of a general release on renewal, assignment, or termination does not apply to franchises operating under the North Dakota Franchise Investment Law.

III. Section XXIII(H), providing for liquidated damages on termination of the Franchise Agreement, is hereby amended to read as follows:

h. Pay to Franchisor royalty fees and other ongoing fees, and other amounts Franchisee owes to Franchisor, as though Franchisee were still an active Franchisee, for so long as Franchisee or its assignee or successor continues to use the trademarks in any way. Franchisor is also entitled to all other applicable remedies.

IV. Section XXV is amended to read as follows:

In any action to enforce this Agreement or to seek remedies on default by either party, each party shall bear its own expenses of litigation or enforcement.

V. A. Section XXV is amended to add the following:

THIS AGREEMENT AND THE RIGHTS OF THE PARTIES HEREUNDER TAKE EFFECT ON ACCEPTANCE AND EXECUTION BY THE COMPANY AND SHALL BE INTERPRETED AND CONSTRUED UNDER THE LAWS OF NORTH DAKOTA, EXCEPT TO THE EXTENT GOVERNED BY THE UNITED STATES TRADEMARK ACT OF 1946 (LANHAM ACT 15, U.S.C. SECTIONS 1015, ET. SEQ.).

B. Section XXV (H) providing for exclusive jurisdiction in Scottsdale, Arizona is deleted.

C. Paragraph XXV to the extent it provides for a limitation of one year on actions under the Franchise Agreement is hereby deleted.

D. Section XXV to the extent it provides for a waiver of punitive or exemplary damages, and a waiver of jury trial, is deleted.

VI. The Arbitration section shall be deleted and amended to read as follows:

Except as specifically otherwise provided in this Agreement, the Parties agree that all contract disputes that cannot be amicably settled shall be determined by arbitration under the Federal Arbitration Act as amended and in accordance with the rules of the American Arbitration Association or any successor thereof. Arbitration shall take place at an appointed time and place in the County and State in which Franchisee's franchised business is located. However, nothing contained herein shall be construed to limit or to preclude the parties from brining any action in any court of competent jurisdiction for injunctive or other provisional relief as the Parties deem to be necessary or appropriate to compel either party to comply with its obligations hereunder or to protect the marks or other property rights of franchisor.

VII. The Acknowledgement section is amended to add the following:

Franchisee acknowledges that Franchisee received a copy of this Franchise Agreement, the attachments hereto, if any, and agreements relating thereto, if any, at least seven (7) days prior to the date on which this Agreement was executed.

VIII. The Covenants section is amended to add the following:

Covenants not to compete on termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.

RHODE ISLAND

§19-28.1-14 of the Rhode Island Franchise Investment Act provides that:

> A provision in a Franchise Agreement restricting jurisdiction of venue to a forum outside this state or requiring the application of the laws of another state are void with respect to a claim otherwise enforceable under this Act.

VIRGINIA

In recognition of the restrictions contained in 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for TACTIC Franchising, LLC for use in the Commonwealth of Virginia shall be amended as follows:

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

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

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

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute 'reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

WASHINGTON

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

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

Use of Franchise Brokers. The franchisor may, but currently does not, use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Carefully evaluate any information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

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

Area Development Agreement - In addition, the Securities Division requires that the collection of the development fee be prorated, with a portion of the development fee being collected after each unit opens.

The undersigned does hereby acknowledge receipt of this addendum.

ACKNOWLEDGEMENT

IT IS AGREED that the applicable Washington state law addendum, if any supersedes any inconsistent portion of the Franchise Agreement dated _____, 20___, and of the Franchise Disclosure Document.

FRANCHISOR: TACTIC FRANCHISING LLC

Signed: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

Signed: _____

Name: _____

Date: _____

EXHIBIT P

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	July 11, 2024
Hawaii	Not Registered
Illinois	Pending
Indiana	Not Registered
Maryland	Not Registered
Michigan	Effective
Minnesota	Pending
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	July 8, 2024
Washington	Pending
Wisconsin	May 16, 2024

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

EXHIBIT Q

RECEIPTS

RETURN THIS SIGNED COPY TO THE FRANCHISOR

Receipt

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

IF TACTIC FRANCHISING, LLC OFFERS YOU A FRANCHISE, IT MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU 14 CALENDAR DAYS BEFORE YOU SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR AN AFFILIATE IN CONNECTION WITH THE PROPOSED FRANCHISE SALE.

IF TACTIC FRANCHISING, LLC DOES NOT DELIVER THIS DISCLOSURE DOCUMENT ON TIME OR IF IT CONTAINS A FALSE OR MISLEADING STATEMENT, OR A MATERIAL OMISSION, A VIOLATION OF FEDERAL LAW AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON, D.C. 20580 AND THE APPROPRIATE STATE AGENCY AS IDENTIFIED ON EXHIBIT A OF THIS DISCLOSURE DOCUMENT.

TACTIC FRANCHISING, LLC's franchise sellers are: Jason Helfrich, D.C., Vanessa Helfrich, Brandon Livingood, D.C. and Darnell Jackson, 20551 N. Pima Rd., Ste. 100, Scottsdale, AZ 85255, 719-217-0895.

Issuance Date: April 29, 2024 (with effective dates as stated on the page preceding these Receipts).

I received a 100% Chiropractic™ Disclosure Document dated April 29, 2024, that included the following Exhibits:

A. State Administrators/Agents for Service of Process
B. Franchise Agreement
C. Promissory Note
D. Operations Manual– Table of Contents
E. Financial Statements
F. Area Development Agreement
G. Confidentiality, Non-Disclosure and Non-Competition Agreement
H. List of Franchise Owners
I. List of Franchise Owners That Have Left the System
J. General Release
K. Business Associate Agreement with 100%, Inc.
L. Line of Credit Promissory Note
M. Management Agreement
N. Amendment to Waive Management Agreement
O. State Addenda

_____ _____

Date Recipient/Franchise Applicant

RETURN THIS SIGNED FORM TO THE FRANCHISOR.to: Dr. Jason Helfrich via DocuSign.

APPLICANT COPY

Receipt

THIS DISCLOSURE DOCUMENT SUMMARIZES PROVISIONS OF THE FRANCHISE AGREEMENT AND OTHER INFORMATION IN PLAIN LANGUAGE. READ THIS DISCLOSURE DOCUMENT AND ALL AGREEMENTS CAREFULLY.

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M. Management Agreement
N. Amendment to Waive Management Agreement
O. State Addenda

_____ _____

Date Recipient/Franchise Applicant

THIS SIGNED FORM REMAINS WITH THE FRANCHISE APPLICANT