

## FRANCHISE DISCLOSURE DOCUMENT



**FYZICAL, LLC**  
a Delaware limited liability company  
1751 Mound Street, Suite 102  
Sarasota, Florida 34236  
T: (941) 227-4122  
E-Mail: [info@fyzical.com](mailto:info@fyzical.com)  
[www.fyzical.com](http://www.fyzical.com)  
[www.fyzicalfranchise.com](http://www.fyzicalfranchise.com)

The franchise is for a FYZICAL® physical rehabilitation center that provides patients with physical therapy programs for rehabilitation, balance, medical-based wellness and pain management and other products and services that we authorize from time to time.

The total investment necessary to (1) develop a new FYZICAL® Center ranges from \$167,850 to \$418,600; however, if you or one of your owners is not a qualified physical therapist licensed to practice in the state in which you will establish your FYZICAL® Center or if you need to hire licensed physical therapist as your Clinical Director, the total investment necessary to develop a new FYZICAL® Center ranges from \$217,850 to \$518,600, (2) convert an existing wellness center to a FYZICAL® Center ranges from \$64,250 to \$182,000, and (3) add a FYZICAL® Center to an MD practice or other medical facility ranges from \$215,250 to \$519,100; these numbers include \$49,000 that must be paid to the franchisor. If you want development rights, you must pay us a development fee equal to \$49,000 (the initial franchisee fee for the first FYZICAL® Center) plus \$49,000 for each additional FYZICAL® Center to be developed.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Lauren Johnson, Chief Development Officer, 1751 Mound Street, Suite 102, Sarasota, Florida 34236 and telephone number (941) 227-4122.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission (the "FTC"). 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](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**ISSUANCE DATE: April 30, 2025**

### How to Use This Franchise Disclosure Document

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

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
<b>How much can I earn?</b>	Item 19 may give you information about outlet sales, costs, profits and 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 J and K.
<b>How much will I need to invest?</b>	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the supplies you must use.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 2, or Exhibit B includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only FYZICAL® business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be a FYZICAL® franchisee?</b>	Item 20 or Exhibits J and K list current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	These questions are only a few things you should look for. Review all 23 items and all exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## **What You Need to Know About Franchising *Generally***

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

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

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

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

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

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

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

### **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has registration requirements, or to contact your state, use the agency information in Exhibit F.

Your state also may have laws and 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.

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.

### Special Risks to Consider About *This* Franchise

Certain states require 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 and/or litigation filed in any state or federal court of general jurisdiction in Sarasota County, Florida. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Florida than in your own state.
2. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
3. **Mandatory Minimum Payment.** You must make mandatory royalty payments and other payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.
4. **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.
5. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchises 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.
6. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state require other risks to be highlighted.

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

**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 the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
  - (i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
  - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

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

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000.00, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
CONSUMER PROTECTION DIVISION  
Attention: Antitrust & Franchise  
G. Mennen Williams Building, 1st Floor  
525 West Ottawa  
Lansing, Michigan 48909  
Telephone Number: (517) 373-7117

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

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Applicable state law may require additional disclosures related to the information contained in this disclosure document. These additional disclosures, if any, appear as an addendum or rider in Exhibit “G.”



## ITEM 1 FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, “we,” “us,” “our” and the “Company” mean FYZICAL, LLC, the franchisor. “You” and “your” means the person who buys a FYZICAL® Center franchise and/or development rights, the franchisee, and includes your partners if you are a partnership, your shareholders if you are a corporation, and your members if you are a limited liability company.

### The Franchisor

We are a Delaware limited liability company. We were originally formed as a Florida limited liability company on August 28, 2012 and converted to a Delaware limited liability company on December 22, 2017 in connection with the Investment Transaction described further below. Our principal business address is 1751 Mound Street, Suite 102, Sarasota, Florida 34236 and our telephone number is (941) 227-4122. Our registered agent for service of process in Delaware is Corporate Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808 and our registered agent for service in Florida is Cross Street Corporate Services, Inc., 200 South Orange Avenue, Sarasota, Florida 34236. Our agents for service of process in the states that require franchise registration are listed in Exhibit “F” to this disclosure document. We do not do business under any names other than our corporate name and the trade name “FYZICAL®”.

We offer franchises for centers that provide physical therapy, medically-based physical wellness for rehabilitation, pain management, and balance to patients by licensed and qualified therapists, balance retraining and fall prevention, sports rehabilitation and programs for wellness and health in a state-of-the-art facility using proprietary methods and formulas, and wellness services (the “FYZICAL® Center”). FYZICAL® Centers offer physical therapy programs and a broad range of other wellness related services to improve physical function and the quality of life its patients. We are not engaged in any business other than the offering of FYZICAL® Center franchises. We began offering franchises on July 15, 2013.

Under a separate disclosure document, we offer franchises to qualified individuals to serve as our area representatives and solicit prospective franchisees for FYZICAL® Centers. Since February 2015, we have sold a limited number of area representative franchises. As of December 31, 2024, we had 58 area representatives. We neither own any FYZICAL® Center or any area representative business. While our affiliates do not own or operate any area representative business, they do own and operate FYZICAL® Centers. As of December 31, 2024, certain of our affiliates owned and operated 56 FYZICAL® Centers in the United States.

Except as disclosed above, we do not conduct or offer franchises in any other lines of business. Except as disclosed above, we have not conducted or offered franchises in any other line of business.

### Parents, Predecessors and Affiliates

We do not have any predecessor.

Our parent, Fyzical Acquisition Holdings LLC (“Parent”), was formed as a Delaware limited liability company on December 15, 2017 and shares our principal business address. Parent was formed to invest in us and certain of our affiliates by New Harbor Capital Fund II, LP and New Harbor Capital Fund II-A, L.P., investment funds that are part of New Harbor Capital, LLC.

Our affiliate, The Provider Connection, LLC, provides billing services to FYZICAL® Centers owned and operated by our affiliates and by our franchisees. The Provider Connection, LLC has been in the business of providing medical billing services since August, 2005, and was acquired by our affiliate in

August, 2021. Its principal business address is 3385 Founders Club Drive, Sarasota, FL 34240. It does not offer franchises.

We do not have any other affiliates that provide products or services to our franchisees, or that offer franchises in any line of business.

### **The Franchise Offered**

The FYZICAL® Center that you will establish and operate will be referred to in this disclosure document as your “**Center**” or “**Business.**” You will acquire a license to use certain logos, service marks and trademarks designated by us, including the trademark and service mark “FYZICAL®” (collectively, the “**Marks**”) and proprietary systems, procedures and technology in the operation of your Center. The “**Marks**” also include our distinctive trade dress used to identify FYZICAL® Centers, whether now in existence or created in the future. You will operate your Center in accordance with the Franchise Agreement in the form attached to this disclosure document as Exhibit “A” (the “**Franchise Agreement**”).

We may also grant multi-unit development rights to qualified franchisees who agree to open and operate at least five FYZICAL® Centers. These franchisees may then develop such FYZICAL® Centers within a defined territory according to a pre-determined development schedule. These franchisees may open and operate their FYZICAL® Centers directly or through controlled affiliates. These development rights will be granted to these franchisees pursuant to a Development Rights Rider to their Franchise Agreement, a form of which is attached to this disclosure document as Exhibit “C” (the “**Development Rights Rider**”). Franchisees who agree to a Development Rights Rider will pay us a development fee equal to \$49,000 (the initial franchisee fee for the first FYZICAL® Center) plus \$49,000 for each additional FYZICAL® Center to be developed. Franchisees who enter into a Development Rights Rider will receive a discounted royalty as described further in Item 6, so long as they are in compliance with the Development Rights Rider and all other franchise agreements then in effect between them and us for FYZICAL® Centers. Franchisees signing our Development Rights Rider must sign our then-current form of Franchise Agreement for each additional FYZICAL® Center they develop under that Development Rights Rider. While that form may differ substantially and materially year to year from the first Franchise Agreement they sign for their first FYZICAL® Center to be developed (and our current version of Franchise Agreement is disclosed in this disclosure document), we commit to keep the Royalty the same as in the first Franchise Agreement signed for each FYZICAL® Center developed under the same Development Rights Rider unless the franchisees are not then in full compliance with the Development Rights Rider and all other franchise agreements then in effect between them and us for FYZICAL® Centers. If that is the case, then the Royalty specified under our then-current form of franchise agreement (if different) will not be modified for the initial franchise term for the franchisees’ new FYZICAL® Centers.

FYZICAL® Centers are characterized by a system (the “**System**”) which includes our methods and procedures for the establishment, management, and operation of FYZICAL® Centers, including our logos, concept, style, trade secrets, proprietary formulas, programs and products, confidential operations manuals and operating system. The operational aspects of FYZICAL® Centers are contained within our confidential operations manual (collectively, the “**Manuals**”). You will operate your Center as an independent business using the Marks, the System, the “FYZICAL®” name, as well as the support, guidance and other methods and materials provided or developed by us.

Your Center will have one or more licensed and qualified physical therapists (referred to as “**Licensed Professionals**”). You (if you are a Licensed Professional) or other Licensed Professionals engaged by you will be involved in the operations of your Center in accordance with your state’s laws and regulations, your Franchise Agreement, and the Manuals. The Franchise Agreement will not interfere, affect, or limit the independent exercise of medical judgment by the medical staff.

A FYZICAL® Center that is developed as a new independent business will be referred to in this disclosure document as a “**New Center**”. An individual or business that converts its existing physical therapy or wellness center to a FYZICAL® Center under our conversion program (a “**Conversion Center**”) is required to sign the form of Conversion Addendum to Franchise Agreement attached as Exhibit “D” to this disclosure document, which will modify certain provisions of the Franchise Agreement.

If you add a FYZICAL® Center to your MD or other medical practice, then your Center will be referred to as an “**MD Affiliate Center**”. Unless otherwise specified, all references to FYZICAL® Center in this disclosure document will include New Centers, Conversion Centers, and MD Affiliate Centers.

### **Market and Competition**

The target market for FYZICAL® Centers is individuals seeking physical therapy, rehabilitation therapy, speech therapy, pain management, and/or balance programs. Your Center will compete primarily with other centers and facilities that provide physical therapy, rehabilitation therapy, speech therapy, pain management therapy, and balance programs. The market for the services provided by FYZICAL® Centers is well-established and highly competitive. However, we believe we have distinguished FYZICAL® Centers due to our individualized physical therapy programs, state-of-the-art facilities and proprietary systems, procedures and technology.

### **Laws and Regulations**

You will comply with all federal and state licensing and other regulatory requirements relating to the operation of your Center. In addition to laws and regulations that apply to businesses generally, you will comply with all health care regulations under federal, state and local laws that apply to the management and operation of a FYZICAL® Center. You will be required to secure and maintain in force all required health care licenses, permits and certificates relating to the operation of your Center and the other licenses that apply to any Licensed Professionals or other employees.

Various federal and state laws regulate the privacy and security of patient health care information. For example, under the federal Health Insurance Portability and Accountability Act (HIPAA), as amended by the federal Health Information Technology for Economic and Clinical Health (HITECH) Act, healthcare providers will keep patient health care information confidential and only disclose such information to third parties when requests are properly submitted. In addition, you will ensure the privacy and security of patient health care information you share with any “**business associate**” as defined under the HITECH Act, such as service providers, attorneys, or third-party insurance billing companies. Many states also have laws regulating the privacy and security of patient healthcare information. These state laws may impose further restrictions on obligations related to the privacy and security of such information.

We do not intend for our licensing or franchising of, or providing services to, FYZICAL® Centers to constitute our engagement in the practice of medicine, physical therapy, massage or any other profession requiring specialized training, certification or licensure, including the ordering of any test, diagnosis or treatment of any individual whatsoever (collectively, the “**Practice of a Profession**”). The Practice of a Profession in any manner provided through your Center will only be performed by qualified and licensed physical therapists or other properly trained, certified and Licensed Professionals. In some states, operation of, or operation of certain aspects of FYZICAL® Centers, may be considered the practice of medicine or other forms of the Practice of a Profession and may or may not require a medical or some other form of professional license or certification which you may be required to obtain, or some other form of license or certification your personnel will obtain before your or their operation of your Center.

You should check the various state and federal laws and regulations governing: the practice of medicine and other professions; patient privacy and other areas related to medical, diagnostic, or health and wellness procedures therapies, treatments, tests or screenings; physician and patient referrals, and certain entities involved in the field of medicine and other fields of the Practice of a Profession.

If you operate in a jurisdiction that regulates the Corporate Practice of Medicine, you may be prohibited from employing a licensed physical therapist directly or from providing physical therapy services directly to the public unless you are a physical therapist. Instead, you may need to enter into a lease, management services or comparable agreement with the physical therapist (or the professional's business entity) to arrange for the provision of physical therapy services. If you are located in such a state, you are responsible for preparing an agreement that complies with your state's laws.

In addition, you should be aware that in jurisdictions that regulate the Corporate Practice of Medicine, accounting rules will determine how you may recognize physical therapy revenues as part of your gross collected revenues.

A physical therapist's operation of a physical therapy practice is subject to comprehensive professional licensing and registration requirements. In addition, many states have physical therapy boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. These requirements often apply to both the individual professional service provider and the professional's business entity. As a condition to a physical therapist's licensing requirements, the physical therapist (or the professional's business entity) may need to obtain and maintain a minimum amount of professional liability insurance. The Franchise Agreement and Manuals prohibit you from employing any person in a position that requires a license or permit unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files.

There may be other local, state and/or federal laws or regulations pertaining to your Center with which you will comply. We strongly suggest that you investigate these laws before investing in this franchise.

We require all Centers to comply with all federal, state, and local guidelines for safety, which may currently require you to meet heightened sanitation standards, provide face coverings to staff or patients, screen employees and patients for health issues, install protective shields and other barriers, close or limit capacity in common and public spaces, and/or post additional signage at your Center.

## **ITEM 2 BUSINESS EXPERIENCE**

### **Chief Executive Officer: Brian Belmont**

Brian Belmont has been our and Parent's Chief Executive Officer and a member of the Board of Managers of Parent since January 15, 2018. He operates out of Sarasota, Florida. Mr. Belmont previously served as the Executive Vice President of Operations and Development for Pla-Fit Franchise, LLC in Hampton, New Hampshire from April 2013 until April 2017. Mr. Belmont is a member of HanMac LLC based in Westminster, Colorado, which has served as our Area Representative in certain markets located in Colorado and Missouri since September 2019.

### **Chief Operating Officer: Scott Wendrych**

Scott Wendrych has been our Chief Operating Officer since March 2024. He operates out of Sarasota, Florida. Mr. Wendrych served as our Chief Development Officer from March 2020 to March 2024. From September 2018 to February 2020, Mr. Wendrych served as President of Aberdeen Enterprises

dba Platte River Roofing in Littleton, Colorado. Prior to that, Mr. Wendrych served as the Chief Operating Officer from February 2014 through February 2018 for Wellbiz Brands, Inc. in Englewood, Colorado.

**Chief Strategy Officer: Sarah Frohnhofer**

Sarah Frohnhofer has been our Chief Strategy Officer since October 2024. Prior to that, Ms. Frohnhofer was the Executive Vice President for Sofar Sounds in New York, NY from March 2022 – February 2024. From April 2021 to March 2022, she was the General Manager of Clear, LLC in New York, NY, and Vice President and Senior Director of Marriott International in Bethesda, MD from December 2015 to March 2021.

**General Counsel: Bradley S. Byars**

Bradley Byars has been our General Counsel since March 1, 2024. Prior to that, Mr. Byars was the Senior Associate General Counsel at GenesisCare USA, in Fort Myers, Florida from 2021-2024, and Associate General Counsel at Florida Cancer Specialists, in Fort Myers, Florida from 2018-2021. He currently owns “The Law Office of Bradley S. Byars” in Fort Myers, Florida and St. Louis, Missouri (2016-Present).

**Vice President of Financial Planning and Analysis: Ericka Padgett**

Ericka Padgett has been our Vice President of Financial Planning and Analysis since March 2024. Prior to that, she served as our Director of FP&A and Business Intelligence in 2023. From January 2019 to December 2022, Ms. Padgett held various roles within FYZICAL’s finance department, including Senior Analyst and Senior Manager of FP&A and Business Intelligence. All of Ms. Padgett’s positions prior to being Vice President of Financial Planning and Analysis were in Sarasota, FL; now based in Jacksonville, FL.

**Vice President of Development: Christopher Hincker**

Christopher Hincker has been our Vice President of Development since April 16, 2019. Prior to that, Mr. Hincker was our National Sales Director from January 1, 2018 to April 15, 2019. From February 1, 2016 to December 2017, Mr. Hincker was our Sales Associate. All of Mr. Hincker’s positions with us were and are based in Sarasota, Florida.

**Director of Development Services: Jim Thebeau**

Jim Thebeau has been our Director of Development Services since February 1, 2021. He operates out of Columbia, Illinois. From December 2014 to December 2020, Mr. Thebeau served as the President of Peak Sign Co. based in Swansea, Illinois.

**Expansion Manager: Vavrik Johnson Consulting Group, Inc. (“VJCGI”) and Ms. Lauren Vavrik Johnson**

VJCGI has served as our Expansion Manager since December 2020. Ms. Johnson has served as the Chief Development Officer from March 2024 to January 2025, and has been President of VJCGI since August 2017. From March 2012 to August 2017, Ms. Johnson served as the Senior Vice President, Franchise Development of Wellbiz Brands. All of Ms. Johnson’s positions were held in Highlands Ranch, Colorado.

### **Vice President of Marketing & Brand Development: Cindy Bercaw**

Cindy Bercaw has been our Vice President of Marketing & Brand Development since March 2024. M. Bercaw served as our Director of Franchise Development Marketing from March 2023 to March 2024. Prior to that, she served as our Franchise Development Marketing Manager from April 2021 through March 2023 and as our Digital Content Manager from February 2020 to April 2021. She is based in Sarasota, Florida. From 2019 to 2020, Ms. Bercaw was a Licensed Healthcare Insurance Agent for US Health Advisors, while based out of Sarasota, Florida.

### **Member and Chief Clinical Officer: Dr. Eric Douglass**

Dr. Eric Douglass has served as our Chief Clinical Officer since April 2024. From January 2017 to April 2024 Dr. Douglass served as our President of Franchise Operations. From September 2015 until January 2017, Dr. Douglass served as our National Director of Education. All of Dr. Douglass's positions with us were based in Sarasota, Florida. From August 2015 to August 2016, Dr. Douglass served as the Vice President/Clinical Services for the FYZICAL® Centers owned by FyzBiz in Bonita Springs, Florida.

### **Senior Vice President of Franchising: John F. Fitchett**

John Fitchett became our Senior Vice President of Franchising in August 2021 and is based out of Sarasota, Florida. Prior to that, from 2016 to 2021, Mr. Fitchett was an Area Developer in certain markets in Virginia and North Carolina for Firenza Pizza, Inc.

### **Director of Franchise Operations: Dawn Hesse**

Dawn Hesse has served as our Director of Franchise Operations since 2021. From 2018 to 2021, Ms. Hesse served as our Operations Administrative Assistant. Prior to joining us, Ms. Hesse was a Physical Therapy Assistant and Administrative Assistant in the FYZICAL® Center in Bonita Springs, Florida from 2015 to April 2018.

### **Pre-Opening Conversion Manager: Anna DeHaven**

Anna DeHaven became our Pre-Opening Conversion Manager in April 2021 and is based out of Denver, Colorado. Since 2020, she has been a Co-Owner of Alpine Hemp, LLC based out of Denver, Colorado. Prior to that, Ms. DeHaven served as the Project Manager for Kinetic Restoration, based out of Englewood, Colorado.

### **Franchise Regional Consultant (West Region): Dr. Marc Phillips**

Dr. Marc Phillips has served as our Franchise Regional Consultant since October 2022 and is based out of Colorado Springs, Colorado. Since January 2013, Dr. Phillips owned a partnership interest in Falcon Physical Therapy, LLC, that owned and operated 7 outpatient physical therapy centers in Colorado Springs, Colorado. Falcon Physical Therapy, LLC and its clinics became part of the FYZICAL Franchise in October 2017 and became part of FYZICAL Company Clinics in June 2021. Dr. Phillips served as the Regional Director for the Colorado Region of FYZICAL Company Clinics from July 2021 through October 2022.

### **Field Operations Manager and Franchise Regional Consultant (Atlantic Coastal Region): Dr. Denise Etter**

Dr. Denise Etter became our Field Operations Manager in October, 2024. She continues to fill her role as the Atlantic Coastal Franchise Regional Consultant, a position she's held since June 2018. Ms. Etter

is a Physical Therapist that is based in Atlanta, Georgia. From 2006 to 2018, Dr. Etter owned partnership interest in 10 clinics with Benchmark Rehab Partners in Georgia (Hiram, Douglasville, Marietta, and Alpharetta) and Alabama (Birmingham, Helena, Crestline, Mobile, Gulf Shores, and Fairhope), and served in overseeing operations of those clinics and recruiting with an outpatient orthopedic corporation.

**Franchise Regional Consultant (South Central Region): Dr. Tim Richardson**

Tim Richardson has served as our Franchise Regional Consultant (South Central Region) since August 2018 and is based in West Palm Beach, Florida. Mr. Richardson also served as our National Director of Strategic Partnerships from January 2018 to August 2018. From January 2015 until December 2017, Mr. Richardson was our Vice President of Operations.

**Franchise Regional Consultant (Northeast Region): Dr. Audra Stern**

Audra Stern has served as our Northeast Franchise Regional Consultant since October 2024. Prior to that, Ms. Stern was the Regional and Clinical Director for Life Fitness Physical Therapy in Owings Mills, MD from January 2010 – October 2024.

**Franchise Regional Consultant (Southeast Region): Brian Sganga**

Brian Sganga has served as our Franchise Regional Consultant since August 2021 and is based out of Sarasota, Florida. From December 2020 to August 2021, Mr. Sganga worked as one of our Regional Directors, based out of Lake City, Florida. From February 2020 to November 2020, Mr. Sganga worked as our Business Director. From 2014 through 2020, Mr. Sganga owned 2 FYZICAL® franchises that were located in Florida (Gainesville and Lake City).

**Franchise Regional Consultant (North Central Region): Dr. Mallory Hertz**

Mallory Hertz has served as our North Central Franchise Regional Consultant since February 2025. Prior to that, Ms. Hertz served as the Clinical Director and Physical Therapist at FYZICAL Dakota Dunes in Dakota Dunes, SD from May 2016 through February 2025.

**National Director of Balance Center Development, Training and Education: Brian Werner**

Brian Werner has served as our National Director for the Balance Center Programs since 2015. Prior to that, Mr. Werner was a franchise owner of the Las Vegas and Henderson FYZICAL® Centers from 2013 to 2015. Mr. Werner is based in Sarasota, Florida.

**National Director of Orthopedic Education: Dr. Gavin Hamer**

Gavin Hamer has served as our National Director of Clinical Education since 2017. Prior to that, from 2003 to 2017, Dr. Hamer was the owner of Manual Therapy Educators. Dr. Hamer is based in Fort Myers, FL.

**National Director of Pelvic Health: Dr. Ruth Jenkins**

Dr. Ruth Jenkins has been our Regional Director Assistant and National Director of Pelvic Health and Education since March 2021. Prior to that, from 2010 to 2021, Dr. Jenkins owned 3 FYZICAL® franchises that were located in Florida (Crestview, DeFuniak Springs, and Niceville). Dr. Jenkins is based in Crestview, Florida.

### ITEM 3 LITIGATION

Merissa Kihnke v. FYZICAL, LLC and FYZICAL Acquisition Holdings, LLC (Case No. 2023 CA 006891 NC (Circuit Court of the Twelfth Judicial Circuit, Sarasota County, Florida)). On September 20, 2023, Merissa Kihnke, our former in-house general counsel, filed suit against us and Parent alleging she was constructively discharged from her employment, in violation of the Florida Whistleblower Act, due to her alleged objections to perceived violations of federal and state laws, rules and regulations. Ms. Kihnke's complaint does not describe any specific whistleblower activities or specific violations of any laws, rules or regulations. Ms. Kihnke is seeking damages and other equitable relief in excess of \$50,000. That parties are currently in the process of discovery.

Dr. Christopher Mulvey v. FYZICAL, LLC (Case No. 2:24-cv-00372 (United States District Court, Middle District of Florida)). On September 5, 2024, former employee Dr. Christopher Mulvey filed a Second Amended Complaint alleging his termination was retaliation due to whistleblowing activity under Florida's Private Whistleblower Act and the anti-retaliation section of the False Claims Act. That parties are currently in the process of discovery.

PG Therapy LLC v. FYZICAL, LLC (Case No.: 24-CA-004357 (Twelfth Judicial Circuit in and for Sarasota County, Florida)). On August 24, 2024, PG Therapy LLC, a franchisee of FYZICAL, file a complaint asserting causes of action for breach of contract, fraudulent misrepresentation, negligent misrepresentation, unjust enrichment and implied covenant of good faith and fair dealing. PG Therapy LLC alleges it is entitled to monetary damages exceeding \$357,435.31.

U.S. ex rel. James R. Berkley v. Ocean State LLC, et al. (United States District Court for the District of Rhode Island, C.A. No. 1:20-cv-00538-JJM-PAS). On December 28, 2020, Relator James R. Berkley filed a *qui tam* complaint in federal court alleging violations of the False Claims Act by defendants New Harbor Capital Fund LP, New Harbor Capital Fund II LP, New Harbor Capital Management LP, Ocean State LLC, Blueprint Test Preparation, LLC, and Fyzical Acquisition Holdings, LLC. The complaint alleges that three New Harbor-owned portfolio companies (Ocean State, Blueprint, and Fyzical) each submitted false statements in connection to Paycheck Protection Program loan applications during the COVID-19 pandemic. The complaint alleges that the three portfolio companies' loan applications (1) falsely certified their compliance with rules restricting loans to small businesses with fewer than 500 employees; and (2) falsely certified that the loans were "necessary" to continue business operations. It further alleges that New Harbor caused the portfolio companies to submit the allegedly false certifications by way of New Harbor's ownership stake in each applicant. The complaint seeks treble damages, statutory civil penalties, and attorneys' fees for the alleged misconduct. Relator Berkley filed an Amended Complaint on August 4, 2021. On June 13, 2022, the United States Department of Justice declined to intervene in the litigation pursuant to the False Claims Act statute. The litigation is ongoing.

### ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

### ITEM 5 INITIAL FEES

#### Initial Franchise Fee

If you opt to open 1 Center, you will pay us an initial franchise fee of \$49,000 for your Center. However, if you enter into 2 or more Franchise Agreements concurrently to open 2 or more Centers (i.e.,



you enter into two or more Franchise Agreements at the same time), you will pay us an initial franchise fee of \$49,000 for the first Center, \$35,000 for the second Center, and \$20,000 for the third and each additional Center. If you agree to open and operate at least 5 Centers pursuant to a Development Rights Rider, you will pay us a development fee equal to \$49,000 (the initial franchisee fee for the first Center) plus \$49,000 for each additional FYZICAL® Center to be developed.

We will fully earn the initial franchise fee and development fee, if applicable, when you pay it, and unless otherwise agreed you must pay us the initial franchise fee and development fee, if applicable, in one lump sum when you sign the Franchise Agreement. The initial franchise fee and development fee, if applicable, is non-refundable.

If you are an existing FYZICAL® franchisee and meet certain credit requirements, we may finance up to 80% of the initial franchise fee. The annual interest rate is 9.8% and is paid over a 36-month period of time. (See Item 10)

In support of our veterans, we reduce the initial franchise fee for the first Center by 10% for qualified veterans. The qualified veteran needs to have majority ownership in the franchised business to receive this discount on the initial franchise fee. We reserve the right to modify this program at any time.

In addition, we may reduce or discount the initial franchise fee from time to time, at our discretion, for various promotions and incentive programs and to encourage prospective franchisees to join our System. During the 2024 fiscal year, the amount of the initial franchise fees paid to us varied from \$20,000 to \$49,000 per Center based on the population of Protected Area granted to those franchisees, and the number of units owned by the franchisees. We may continue to offer reduced or discounted initial franchise fees for conversions, to existing medical practices and as we determine appropriate.

### **Grand Opening Marketing Fund**

You will pay us an amount (the “**Grand Opening Marketing Fund**”) to be used for the initial advertising, marketing and public relations programs and materials that we deem necessary or appropriate, in our sole discretion, in connection with the opening of your Center and for the first five months after your Center’s Opening Date. Your Grand Opening Marketing Fund will be such amount as determined by us, will be set forth on Attachment “L” of your Franchise Agreement, and is expected to be at least \$5,000 but will not exceed \$18,000. We will electronically debit the amount of your Grand Opening Marketing Fund from your checking account 60 days prior to the date your Center opens for business, and intend to start implementing such advertising/marketing starting 30 days from the date your Center opens for business. We reserve the right to defer or reduce the Grand Opening Marketing Fund for any FYZICAL® Center. If there are unspent monies in your Grand Opening Marketing Fund after your Center has been open for five months, we will distribute the unspent monies to you (within 30 days after the expiration of such five-month period).

## **ITEM 6 OTHER FEES**

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Royalty	<p><u>Year 1:</u> Greater of \$1,000 per month or 6% <sup>(2)</sup> of Gross Revenue <sup>(3)</sup> generated in the preceding month.</p> <p><u>Year 2:</u> Greater of \$2,000 per month or</p>	5th day of each month, starting on the Royalty Commencement Date <sup>(4)</sup>	<p>If the applicable laws or regulations do not permit payment of Royalty based on Gross Revenue, then you will pay us monthly Royalty in an amount equal to \$800 per Therapist. <sup>(5)</sup></p> <p>You may be required to pay Royalty and any other fees by electronic funds transfer.</p>

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
	6% <sup>(2)</sup> of Gross Revenue generated in the preceding month; <u>Years 3-10:</u> Greater of \$3,000 per month or 6% <sup>(2)</sup> of Gross Revenue generated in the preceding month.		<b>“Year 1”</b> begins on the Royalty Commencement Date and ends on its first anniversary. Each subsequent year begins at the end of the previous year and ends 12 months later.
FYZICAL Business Intelligence Program	Currently not charged. Estimated to be \$500 per month with an option to receive enhanced services at an additional cost of \$150 per user.	5th day of each month	We require our franchisees to participate in the FYZICAL Business Intelligence Program that allows our preferred Electronic Medical Record (“ <b>EMR</b> ”) partners to securely share data with us. The baseline EMR analytics suite comes at zero cost to you, however we reserve the right to charge for additional premium services or licenses in excess of one per clinic. We currently do not charge for this service but reserve the right to do so in future.
Marketing Fund Contribution	Currently not charged. Estimated to be up to 2% of Gross Revenue per month.	5th day of each month	Payable once we initiate the Marketing Fund Contribution (as defined in Item 11).  If the applicable laws or regulations do not permit payment of Marketing Fund Contribution based on Gross Revenue, then your monthly Marketing Fund Contribution will be \$133 per Therapist. <sup>(5)</sup>
Medical Billing Services Fee	Currently 5.4% of Net Collections <sup>(6)</sup>	Monthly	We require our franchisees to purchase medical billing services from our preferred provider, our affiliate. Our preferred provider reserves the right to change the rate it charges for its services.
Periodic Training Fee	Currently not charged. Shall not exceed \$1,500 per person.	Before training begins	Your Operating Principal (as defined in Item 15), Clinical Director (as defined in Item 15), Licensed Professionals and/or key employees may be required to attend periodic refresher or additional training courses. If so, you may be required to pay a reasonable fee for each person who attends such training. You will also be responsible for all expenses and costs that your trainees incur, including wages, travel and living expenses. We may choose to provide such training in-person or virtually via live or pre-recorded training modules.
On-Site Training Fee <sup>(7)</sup>	Estimated to be \$800 - \$1,600 per trainer per day, plus reimbursement of all reasonable travel, meals, lodging and other expenses that our training personnel.	10 days after invoicing	Payable only if we provide additional reasonable on-site training or assistance at a mutually convenient time for unscheduled, on-site training or assistance (i.e., continuing educational courses on demand, not budgeted).

Type of Fee <sup>(1)</sup>	Amount	Due Date	Remarks
Website Development / Hosting Fees	Currently not charged.	5th day of each month	If we or our designee provide website development, hosting and/or search engine optimization services that we or our designee provide for the www.fyzical.com website or other website that we maintain or permit you to maintain for your Center, then we may charge you a reasonable fee.
Telephone / Call Center Support Fees	Currently not charged.	5th day of each month	We reserve the right to charge this fee upon 30 days' prior written notice to you. (See Note 7)
Renewal Fee	10% of then-current initial franchise for your Protected Area.	Not less than 90 days nor more than 180 days prior to the expiration of the Term	There are other conditions for the grant of a successor franchise.
Transfer Fee	10% of then-current initial franchise fee for your Protected Area	Before transfer	Payable when you transfer or sell your franchise. No charge if franchise transferred to an entity that you control or for certain transfers of ownership interests between existing owners.
Audit Fee	Actual cost of the audit or inspection	10 days after invoice	If you fail to timely furnish any reports or records that we require.
Late Fee	Lesser of 12% of amount past due or highest rate allowed by applicable law	10 days after invoice	Payable on all overdue amounts.
Supplier Testing Costs	Reasonable fees and reimbursement of our costs and expenses for inspection and testing.	On demand	Payable only if you request approval of a new supplier.
Insufficient Funds Fee	\$35 per occurrence	Upon demand	If there are insufficient funds in your account to cover all amounts that you owe us.
Indemnification	Will vary with circumstances	10 days after invoice	If we are sued for claims relating to the operation of your Center or for damages that we incur due to your breach of the Franchise Agreement, then you will reimburse us.
Insurance	Amount of unpaid premiums, plus an administrative fee	10 days after invoice	Payable only if you do not maintain required insurance coverage and we elect to obtain coverage for you.
Relocation	Our costs and expenses	10 days after invoice	You will reimburse us for any costs and expenses that we incur in connection with the relocation of your Center.
Conversion Center - Optional Exit Payment (Post-Term Competitive Restrictions)	Amount equal to aggregate Royalty for trailing 24-month period preceding date of expiration, termination or transfer	Upon expiration, termination or transfer	If you are a Conversion Center franchisee, you will have the option, upon expiration, termination or transfer of the Franchise Agreement, to pay us an amount equal to the aggregate Royalty for the trailing 24-month period, in which case the post-term competitive restrictions will not apply and will be cancelled.

## **NOTES:**

(1) Except as described above, all fees and expenses described in this Item 6 are uniformly imposed and non-refundable. Except as otherwise indicated in the chart above, we impose all of the fees and expenses listed above, and they are payable to us. We may, at our option, require you to pay any or all periodic or recurring fees to us by electronic funds transfer.

(2) If you agree to open 5 or more Centers pursuant to a Development Rights Rider, then the Royalty for each Center will be as follows (in each case, so long as you and your affiliates are in compliance with the Development Rights Rider and all other franchise agreements then in effect between you and/or your affiliates and us for FYZICAL® Centers): Year 1: the greater of \$1,000 per month or 3.9% of Gross Revenue generated in the preceding month; Year 2: the greater of \$2,000 per month or 3.9% of Gross Revenue generated in the preceding month; Years 3-10: the greater of \$3,000 per month or 3.9% of Gross Revenue generated in the preceding month. If you or your affiliates are not in compliance with the Development Rights Rider or any other franchise agreements then in effect between you and/or your affiliates and us for FYZICAL® Centers, then the Royalty for each Center will be as set forth in the Franchise Agreement for such Center.

(3) The term “**Gross Revenue**” means all revenue you derive from operating the Center, including, but not limited to, all amounts you receive from any activities or services whatsoever, whether at or away from the Center, including any products or services that are in any way associated with the Marks, and whether from cash, check, barter, debit or credit (regardless of collection in the case of credit), less: (i) promotional discounts or coupons required by us; (ii) patient refunds, adjustments, credits or allowances made by the Center in good faith and in accordance with our policies; and (iii) all federal, state, or municipal sales, use or service taxes collected from patients and paid to the appropriate taxing authority. The proceeds of any business interruption insurance or similar insurance payments you receive to replace revenue that you lose from the interruption of your Center due to a casualty or other similar event will be considered Gross Revenue.

(4) The “**Royalty Commencement Date**” for a New Center or MD Affiliate Center means the 5th day of the fourth full calendar month following the Opening Date (as defined below). The “**Royalty Commencement Date**” for a Conversion Center means the 5th day of the first full calendar month following the Opening Date (as defined below). The “**Opening Date**” means the earlier to occur of: (a) the actual opening date of your Center or (b) 270 days from the effective date of your Franchise Agreement. You will notify us in writing within 48 hours after your Center obtains all necessary licenses and registrations to provide physical therapy services and provide us with copies of such licenses and/or registrations.

(5) If applicable laws or regulations do not permit payment of Royalty that is based on Gross Revenue, or raise sufficient risk of such payment being held unlawful, then we may require you to pay us (i) a monthly Royalty in an amount equal to \$800 per Therapist, and (ii) monthly Market Fund Contribution in an amount equal to \$133 per Therapist, based on the number of Therapists at your Center during the immediately preceding month. For purposes of the foregoing calculation, “**Therapist**” includes each physical therapist and physical therapist assistant.

(6) The term “**Net Collections**” means all cash receipts or amounts collected by you resulting from your provision of professional services for which a claim was submitted by the provider on your behalf.

(7) If you request us to do so, we may, but need not, provide on-site training or assistance at your Center at a mutually convenient time. If we agree to do so, you agree to pay us a reasonable fee, in

an amount to be mutually agreed, and reimburse us for all reasonable expenses that we incur in providing the training or assistance, including travel and living expenses. On-site training that is held in conjunction with regularly scheduled site visits, with no additional expenses, will not require reimbursement. Our Franchise Regional Consultants, area representatives, and our post-open managers may provide onsite support without additional fees. If we provide additional reasonable on-site training or assistance at a mutually convenient time and charge a reasonable fee for unscheduled, on-site training or assistance (e.g., continuing educational courses on demand, not budgeted).

(8) If we license or sublicense any software or technology to you, then you may be charged an initial and ongoing licensing and/or support fees in the amount we designate from time to time. At our request, you and we will enter into a license agreement, in form satisfactory to us, which will govern the terms under which you may utilize such software and/or technology. See Item 11 for additional information regarding your computer requirements. We have an outside vendor for these services.

(9) To efficiently route consumers to your Center both during branding initiatives and for a consistent customer experience, you may be assigned or designated telephone numbers and e-mail addresses that you agree to use in the operation of your Center. You agree to pay a reasonable fee to cover the cost of such numbers and e-mail addresses and our administration and servicing of them. You agree that we reserve the right to control all telephone numbers and e-mail addresses used in the operation of your Center. Additionally, a toll free, 1-800, or centralized telephone number and/or call center services may be instituted for all FYZICAL® Centers, and you agree to pay us or our designated associate support fees in such amount as we designate.

## ITEM 7 ESTIMATED INITIAL INVESTMENT

### **YOUR ESTIMATED INITIAL INVESTMENT - NEW CENTER (WITH AN OPERATING PRINCIPAL WHO IS A LICENSED PROFESSIONAL)**

Type of Expenditure	Amount <sup>(1)</sup>	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee <sup>(2)</sup>	\$49,000	Lump sum	Upon effective date of Franchise Agreement	To us
Grand Opening Marketing Fund	\$5,000 - \$18,000	Lump Sum	Before Opening	To us
Training Expenses (including reasonable food, lodging & travel - per person) <sup>(3)</sup>	\$1,750 to \$5,000	As incurred	During training	Third parties
Lease Deposit & Rent <sup>(4)</sup>	\$2,600 to \$5,600	Monthly	Before opening	Landlord
Build Out & Improvements <sup>(5)</sup>	\$65,000 to \$180,000	As incurred	Before opening	Landlord and/or third parties
Security System <sup>(6)</sup>	\$500 to \$2,000	Lump sum	Before opening	Third parties
Computer System	\$1,000 to \$3,000	Lump sum	Before opening	Third parties
Furniture, Fixtures and Equipment	\$11,000 to \$76,000	Lump sum	Before opening	Third parties
Signage, Branding, Design	\$2,000 to \$15,000	Lump sum	Before opening	Third parties
Utility Deposits, Business Licenses & Other Prepaid Expenses	\$1,000 to \$5,000	Lump sum	As incurred	Utility companies and government agencies
Insurance (12 months) <sup>(8)</sup>	\$3,000 to \$5,000	Lump sum	Before opening	Insurance companies
Miscellaneous Opening Costs	\$1,000 to \$5,000	As incurred	Before opening	Suppliers

Type of Expenditure	Amount <sup>(1)</sup>	Method of Payment	When Due	To Whom Payment Is To Be Made
Additional Funds (5 months) <sup>(9)(10)</sup>	\$25,000 to \$50,000	As incurred	As incurred	Landlord, suppliers and employees
<b>Total Estimated Initial Investment</b> <sup>(12)(13)</sup>	<b>\$167,850 to \$418,600</b>			

**YOUR ESTIMATED INITIAL INVESTMENT – NEW CENTER (WITH A CLINICAL DIRECTOR)**

Type of Expenditure	Amount <sup>(1)</sup>	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee <sup>(2)</sup>	\$49,000	Lump sum	Upon effective date of Franchise Agreement	To us
Grand Opening Marketing Fund	\$5,000 - \$18,000	Lump Sum	Before Opening	To us
Training Expenses (including reasonable food, lodging & travel - per person) <sup>(3)</sup>	\$1,750 to \$5,000	As incurred	During training	Third parties
Lease Deposit & Rent <sup>(4)</sup>	\$2,600 to \$5,600	Monthly	Before opening	Landlord
Build Out & Improvements <sup>(5)</sup>	\$65,000 to \$180,000	As incurred	Before opening	Landlord and third parties
Security System <sup>(6)</sup>	\$500 to \$2,500	Lump sum	Before opening	Third parties
Computer System	\$1,000 to \$3,000	Lump sum	Before opening	Third parties
Furniture, Fixtures and Equipment	\$11,000 to \$76,000	Lump sum	Before opening	Third parties
Signage, Branding, Design	\$2,000 to \$15,000	Lump sum	Before opening	Third parties
Utility Deposits, Business Licenses & Other Prepaid Expenses	\$1,000 to \$5,000	Lump sum	As incurred	Utility companies and government agencies
Insurance (12 months) <sup>(8)</sup>	\$3,000 to \$5,000	Lump sum	Before opening	Insurance companies
Miscellaneous Opening Costs	\$1,000 to \$5,000	As incurred	Before opening	Suppliers
Additional Funds (9 months) <sup>(9)(11)</sup>	\$75,000 to \$150,000	As incurred	As incurred	Landlord, suppliers and employees
<b>Total Estimated Initial Investment</b> <sup>(12)(13)</sup>	<b>\$217,850 to \$518,600</b>			

**A. YOUR ESTIMATED INITIAL INVESTMENT - CONVERSION CENTER**

Type of Expenditure	Amount <sup>(1)</sup>	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee <sup>(2)</sup>	\$49,000	Lump sum	Upon effective date of Franchise Agreement	To us
Grand Opening Marketing Fund	\$5,000 - \$18,000	Lump Sum	Before Opening	To us
Training Expenses (including reasonable food, lodging & travel - per person) <sup>(3)</sup>	\$1,750 to \$5,000	As incurred	During training	Third parties
Build Out & Improvements <sup>(5)</sup>	\$0 to \$50,000	As incurred	Before opening	Landlord and/or third parties
Security System <sup>(6)</sup>	\$0 to \$2,500	Lump sum	Before opening	Third parties
Computer System	\$0 to \$2,000	Lump sum	Before opening	Third parties
Furniture, Fixtures and Equipment <sup>(7)</sup>	\$0 to \$15,000	Lump sum	Before opening	Third parties
Signage, Branding, Design	\$500 to \$15,000	Lump sum	Before opening	Third parties
Utility Deposits, Business Licenses & Other Prepaid Expenses	\$0 to \$1,500	Lump sum	As incurred	Utility companies and government agencies
Insurance (12 months) <sup>(8)</sup>	\$6,000 to \$9,000	Lump sum	Before opening	Insurance companies
Miscellaneous Opening Costs	\$1,000 to \$5,000	As incurred	Before opening	Suppliers
Additional Funds (5 months) <sup>(9)</sup>	\$1,000 to \$10,000	As incurred	As incurred	Landlord, suppliers and employees
<b>Total Estimated Initial Investment <sup>(12)(13)</sup></b>	<b>\$64,250 to \$182,000</b>			

**YOUR ESTIMATED INITIAL INVESTMENT – MD AFFILIATE CENTER**

Type of Expenditure	Amount <sup>(1)</sup>	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee <sup>(2)</sup>	\$49,000	Lump sum	Upon effective date of Franchise Agreement	To us
Grand Opening Marketing Fund	\$5,000 - \$18,000	Lump Sum	Before Opening	To us
Training Expenses (including reasonable food, lodging & travel - per person) <sup>(3)</sup>	\$1,750 to \$5,000	As incurred	During training	Third parties
Lease Deposit & Rent <sup>(4)</sup>	\$0 to \$5,600	Monthly	Before opening	Landlord
Build Out & Improvements <sup>(5)</sup>	\$65,000 to \$180,000	As incurred	Before opening	Landlord and third parties
Security System <sup>(6)</sup>	\$500 to \$2,500	Lump sum	Before opening	Third parties
Computer System	\$1,000 to \$3,000	Lump sum	Before opening	Third parties
Furniture, Fixtures and Equipment	\$11,000 to \$76,000	Lump sum	Before opening	Third parties
Signage, Branding, Design	\$2,000 to \$15,000	Lump sum	Before opening	Third parties
Utility Deposits, Business Licenses & Other Prepaid Expenses	\$1,000 to \$5,000	Lump sum	As incurred	Utility companies and government agencies



Type of Expenditure	Amount <sup>(1)</sup>	Method of Payment	When Due	To Whom Payment Is To Be Made
Insurance (12 months) <sup>(8)</sup>	\$3,000 to \$5,000	Lump sum	Before opening	Insurance companies
Miscellaneous Opening Costs	\$1,000 to \$5,000	As incurred	Before opening	Suppliers
Additional Funds (5 months) <sup>(9)</sup>	\$75,000 to \$150,000	As incurred	As incurred	Landlord, suppliers and employees
<b>Total Estimated Initial Investment <sup>(12)</sup></b>	<b>\$215,250 to \$519,100</b>			

## **NOTES:**

(1) None of the fees payable to us are refundable. We are unaware of any fees payable to third party suppliers that are refundable, although some landlords refund security deposits at the end of the lease if the tenant does not default.

(2) If you opt to open 1 Center, you will pay us an initial franchise fee of \$49,000 for your Center. However, if you enter into 2 or more Franchise Agreements concurrently to open 2 or more Centers (i.e., you enter into two or more Franchise Agreements at the same time), you will pay us an initial franchise fee of \$49,000 for the first Center, \$35,000 for the second Center, and \$20,000 for the third and each additional Center. If you agree to open and operate at least 5 Centers pursuant to a Development Rights Rider, you will pay us (at the time you sign your initial Franchise Agreement) a development fee equal to \$49,000 (the initial franchisee fee for the first Center) plus \$49,000 for each additional FYZICAL® Center to be developed. If you are an existing FYZICAL® franchisee and meet all our criteria for franchisee approval, we may finance up to 80% of the initial franchise fee (See Item 5 & 10).

(3) You may not incur these expenses if we choose to provide training virtually.

(4) The expense of leasing will vary depending upon the size of the premises of your Center (average size ranges from 1,200 square feet to 2,200 square feet but may be smaller or larger depending on the type of your Center), its location, landlord contributions, and the requirements of individual landlords. Generally, the rent will range from \$5 to \$35 per square foot, although your actual rent may vary significantly above or below this range depending on your area and the local market conditions. Landlords typically require security deposits equal to 1 or 2 months' rent and may, in addition, require payment in advance of the first and/or last (or more) month's rent. The total estimated initial investment shown in the chart above includes 3 months' rent. The chart for Conversion Center does not include any amount for lease and security deposit because the Conversion Center franchisees will not incur this startup costs. Some franchisees may prefer to own their Center. The costs of purchasing a Center vary so widely that we cannot reasonably estimate the cost.

(5) The leasehold improvements and build-out costs amount mentioned above may vary widely based upon a number of factors, including, the location of the Center, the size and condition of the premises, whether or not there are any existing leasehold improvements and whether the landlord will contribute to the cost of the improvements. The low-end of the estimate for Conversion Center assumes that you are converting an existing business to a FYZICAL® Center and will conform the existing premises to our standards and specifications.

(6) We do not require that FYZICAL® Centers have a security system, but we do recommend that you have one. The low end of the estimate for Conversion Center assumes that you already have a security system.



(7) For Conversion Center, we assume that the furniture, fixtures and equipment at your existing facility are suitable and can be used in the operation of your Center.

(8) The estimated cost of insurance coverage required by the Franchise Agreement will vary significantly based on your location, and the claims experience of commercial businesses in the area, as well as your claims experience in other businesses you operate. See Item 8 for the description of the required insurance.

(9) We are not aware of any established longer “reasonable period” for our industry, so our disclosures cover a 5-month period, except in the case for Centers open with a Clinical Director (for which our disclosures cover a 9-month period). We relied on our affiliate’s experience operating FYZICAL® Centers to compile these estimates. These amounts are minimum recommended levels to cover operating expenses, including employee salaries, for 9 months (in the case of Centers open with a Clinical Director) and 5 months (for all other Centers). You may require additional working capital if your sales are low or if your fixed costs are high.

(10) The estimate for Additional Funds under Table A assumes that either your Operating Principal is a Licensed Professional or you or at least one of your owners who is a Licensed Professional will be involved in the day-to-day operation of your Center.

(11) The estimate for Additional Funds under Table B assumes that neither your Operating Principal nor you or any of your owners are Licensed Professionals. Therefore, you will need additional funds to hire a Clinical Director to perform services at your Center.

(12) These estimates assume that if you select the Conversion Center option you may already have some of the equipment, furniture, fixtures, business licenses and other items needed to operate a FYZICAL® Center. If you are opening a new FYZICAL® Center or adding a FYZICAL® Center to your existing MD or other medical practice, your costs will be higher (see chart for “Your Estimated Initial Investment - New Center” above). Franchisees that convert an existing physical therapy or wellness center to a FYZICAL® Center do so pursuant to the Conversion Addendum to Franchise Agreement (form attached as Exhibit “D” to this disclosure document), which modifies certain portions of the Franchise Agreement. The estimated initial investment set forth above will be incurred for each Center established under a Development Rights Rider.

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

### **Purchases from Us**

Our affiliate, The Provider Connection, LLC, received revenue in 2024 in the amount of \$2,278,449 for medical billing services provided to FYZICAL® Centers operated by our franchisees, which represents 13.49% of our total revenue (\$16,886,113) in 2024. In 2024, we and our affiliates did not receive any other revenue or other consideration from the sale of products or services to franchisees, but we may do so in the future. Other than medical billing services provided by our affiliate, you are not currently required to purchase any other products or services from us or our affiliate; however, (i) we reserve the right to do so in the future, and (ii) for group purchasing, quality control or other benefits, we and our affiliates may be the sole or one of the approved suppliers for any products or services utilized in the operation of FYZICAL® Centers.

## **Approved Suppliers**

You agree to purchase or lease all products, supplies, equipment (including computer hardware and software), services and other items specified in the Manuals from time to time. If required by the Manuals, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). In our sole discretion, we may concentrate purchases with one or more approved or designated suppliers, to obtain lower prices, advertising support and/or other services, or for any other reason we deem appropriate. In such instances, we may limit the number of suppliers with whom you deal, designate sources that you will use, and refuse any request by you for another approved supplier of any applicable product or service. Currently, we require our franchisees to purchase the following goods from our designated suppliers and vendors: certain components of the Computer System, therapy equipment and supplies, branded merchandise and apparel, and printed marketing and promotional materials. We also require our franchisees to use the services of one of our preferred EMR partners, our preferred billing partner, our preferred overhead track and system partner, our preferred branded promotional items and apparel partner and our preferred capital equipment and supply partner. You agree to follow all of our policies and procedures for participation in or termination of any preferred vendor programs that we establish. If we receive rebates or other financial consideration from suppliers based upon franchisee purchases, we have no obligation to pass these amounts on to you or to use them for your benefit.

If you want us to approve a new supplier, product or service that you propose, you agree to submit to us sufficient written information about the proposed new supplier, product or service to enable us to approve or reject either the supplier or the particular item or service. We will have 45 days from receipt of the information to approve or reject the proposed new supplier, product or service. If we have not responded to your request within this time period, the request is deemed disapproved. We may consider in providing such approval not just the quality standards of the products or services, but the proposed supplier's delivery capabilities, financing terms and ability to service our franchise system as a whole. We do not provide our criteria for approving suppliers to our franchisees. We may terminate or withhold approval of any product or service, or any supplier of a product or service, that does not meet our quality standards by giving you written notice. If we do so, you agree to immediately stop purchasing from such supplier or using such product or service in your Center. At our request, you agree to submit to us sufficient information about the proposed supplier, product or service to enable us to determine whether it meets our standards and specifications. We may charge a reasonable fee for evaluating alternative suppliers, products or services, plus the actual cost of travel and living expenses of our personnel and any fees we pay to third parties in furtherance of the evaluation.

There are no suppliers in which any of our officers own an interest.

## **Standards and Specifications**

You agree to develop and operate your Center in accordance with our standards and specifications. Our standards and specifications may regulate, among other things (a) a description of the authorized goods and services that you may offer at your Center; (b) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for FYZICAL® Centers; (c) mandatory reporting and insurance requirements; (d) mandatory and suggested specifications for your Center; and (e) a written list of goods and services (or specifications for goods and services) that you will purchase for the construction of your Center and the development and operation of your Center, and a list of any designated or approved suppliers for these goods or services (which may include us or our affiliate). Our standards and specifications may impose minimum requirements for quality, use, cost, delivery, performance, design and appearance. We will notify you in our Manuals or via

other modes of written communication of our standards and specifications and/or names of approved suppliers.

We may develop proprietary or non-proprietary computer hardware and software programs, systems and/or technology that we specify or mandate for use by FYZICAL® Center franchisees. We may do so periodically at any time and may modify, enhance, add to, or eliminate the use of any such computer software and similar systems. You will acquire and implement such systems on or before the deadlines we specify for doing so. In this connection, we may require that:

- (a) you enter into a license agreement with us or an affiliate which may require you to pay us commercially reasonable licensing, support and maintenance, and hosting fees;
- (b) if we enter into a master software or technology license agreement with a third party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts that we pay to the licensor based on your use of the software or technology, plus a reasonable amount to compensate us for installation or support services that we or our affiliate provide;
- (c) you obtain or license the software, technology or systems directly from the providers on such terms as we have approved; and/or
- (d) any combination of the foregoing.

We estimate that required purchases according to our standards and specifications currently represent less than 20% of your total purchases in establishing your Center, and less than 20% of your overall purchases in operating the Center.

### **Rebates**

We may receive rebates, payments or other material benefits from suppliers based on franchisee purchases.

We have negotiated purchasing agreements for our franchisees with leading medical equipment and product suppliers. These programs entitle our franchisees to the lowest prices offered by the supplier, discounts on technical service fees, exclusive training programs and/or special finance rates on purchases. For our procurement and consulting services, suppliers may pay us an administrative fee based on the amount of franchisee purchases from them (up to 5%). You are not currently required to purchase from the foregoing suppliers but may in the future. Due to the described benefits, we encourage you to do so. In certain situations, there are larger, packaged promotional deals available to the company-owned Centers that are not available to franchisee-owned centers because of the contract size, specifically as it relates to phone systems and EMR contracts. We intend to negotiate additional agreements with suppliers to enable our franchisees to purchase certain items at discounted prices. If we succeed, you will be able to purchase such items at discounted prices that we negotiate (less any rebates or other consideration that may be paid to us).

In 2024, we received \$508,930 as revenue from our recommended suppliers based on franchisee purchases, which represents 3.01% of our total revenue (\$16,886,113) in 2024. We used this amount for marketing, training and general administrative and operating expenses. In 2024, our affiliates did not receive any revenue from our recommended suppliers.

## **Center Development**

For brand consistency, we may require FYZICAL® Centers to be constructed or remodeled, furnished, and equipped in accordance with our standards and specifications. At your expense, you agree to construct and equip the premises to the specifications contained in the Manuals and to purchase (or lease) and install the equipment, fixtures, signs and other items that we require. We reserve the right to approve the architects, contractors and other suppliers you use in the construction and development of your Center. The construction, build-out and layout of your Center will be reviewed and approved by us before you open.

## **Insurance**

You agree to obtain and maintain, at your own expense, such insurance coverage that we require from time to time and meet the other insurance-related obligations in the Franchise Agreement. The cost of this coverage will vary depending on the insurance carrier's charges, terms of payment and your history. You agree to send us copies of all insurance policies. Each policy is required to name us and our affiliates as additional insured parties. Our current insurance policy requirements include:

- (a) Commercial general liability insurance
  - \$1,000,000 per occurrence
  - \$1,000,000 for fire damage
  - \$10,000 for medical expenses (any one person)
  - \$1,000,000 for personal and advertising injury
  - \$2,000,000 general aggregate
  - \$2,000,000 products/completed operations aggregate
- (b) Property insurance with limits of not less than 100% of the replacement cost of your building, if applicable, and improvements, betterments and business personal property
- (c) Business income insurance, including extra expense, in an amount sufficient to cover your loss of income and overhead, including rent, for twelve (12) months
- (d) Workers' compensation insurance and employer's liability – Statutory
- (e) Professional liability and malpractice insurance
  - \$1,000,000 aggregate for each physical therapist and physical therapy assistant
  - \$1,000,000 each claim
- (f) Sexual abuse and molestation
  - \$300,000 aggregate
  - \$100,000 each claim

All policies shall:

- With the exception of property, including business income, and workers' compensation, name us (and our members, officers, directors, and employees) as additional insureds;
- Contain a waiver by the insurance carriers of all subrogation rights against us;
- Be primary and noncontributory to any coverage carried by us;
- Contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time;
- Provide that we receive 10 days prior written notice of the termination, expiration, cancellation or modification of the policy;

- Be rated A-, VIII or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Center; and
- Include such other provisions as we require from time to time

Upon 10 days' notice, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right, but not the obligation, to obtain such coverage on your behalf, and you will promptly complete all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

### **Miscellaneous**

There are no purchasing cooperatives although we reserve the right to establish one or more purchasing cooperatives in the future. Other than lower negotiated prices as stated above, you do not receive any material benefits for using designated or approved suppliers.

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

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

<b>Obligation</b>	<b>Section in Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Franchise Agreement Section 7.1 & 7.2; Conversion Addendum Section 3; Development Rights Rider Section 7	Items 7, 11 & 12
b. Pre-opening purchases/leases	Franchise Agreement Section 7.3, 12.4 & 15.2; Conversion Addendum Section 5	Items 5, 7, 8 & 11
c. Site development and other pre-opening requirements	Franchise Agreement Section 5.1, 7.3 & 7.4; Conversion Addendum Section 5	Items 6, 7 & 11
d. Initial and ongoing training	Franchise Agreement Section 5	Items 6 & 11
e. Opening	Franchise Agreement Section 7.4; Conversion Addendum Section 6; Development Rights Rider Section 3	Items 11 & 12
f. Fees	Franchise Agreement Section 4.2, 5.1, 5.2, 5.3, 5.4, 6.3, 6.4, 11.1, 11.4, 12.4, 12.6, 13, 19.2 Attachment C; Development Rights Rider Section 5 and 6	Items 5 & 6
g. Compliance with standards and policies/Operating Manual	Franchise Agreement Section 3.4, 6.2, 6.3, 7.3, 8.3, 11, 12, 13, 15 & 17	Item 11
h. Trademarks and proprietary information	Franchise Agreement Section 17; Business Associate Agreement	Items 11, 13 & 14

Obligation	Section in Agreement	Disclosure Document Item
i. Restrictions on products/services offered	Franchise Agreement Section 12.3	Item 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Franchise Agreement Section 3; Development Rights Rider	Item 12
l. Ongoing product/service purchases	Not applicable	Not applicable
m. Maintenance, appearance and remodeling requirements	Franchise Agreement Section 7.1, 12.2, 12.3, 12.5 & 12.7	Item 11
n. Insurance	Franchise Agreement Section 15.2	Items 6 & 7
o. Advertising	Franchise Agreement Section 11	Items 6, 7 & 11
p. Indemnification	Franchise Agreement Section 18	Item 6
q. Owner's participation/management/staffing	Franchise Agreement Section 8	Items 11 & 15
r. Records and reports	Franchise Agreement Section 15.3 & 15.4	Item 6
s. Inspections and audits	Franchise Agreement Section 16	Items 6 & 11
t. Transfer	Franchise Agreement Section 19; Conversion Addendum Section 10; Development Rights Rider Section 10	Item 17
u. Renewal	Franchise Agreement Section 4; Conversion Addendum Section 4	Item 17
v. Post-termination obligations	Franchise Agreement Section 21 & 15.7	Item 17
w. Non-competition covenants	Franchise Agreement Section 14; Conversion Addendum Section 9	Item 17
x. Dispute resolution	Franchise Agreement Sections 22 & 24.1; Promissory Note Sections 12, 13 & 18; Security Agreement Sections 9.3, 9.4 & 10	Item 17
y. Guarantee	Guarantee	Item 15

## ITEM 10 FINANCING

If you are an existing FYZICAL® franchisee and meet certain credit requirements and are otherwise unable to obtain financing from a third party, then we may, but are not required to, finance a portion of the initial franchise fee. The following chart summarizes the terms of such financing, but the actual terms and conditions will be as agreed upon and set forth in a Promissory Note and Security Agreement and such other documents. The form of Promissory Note, Security Agreement, Personal Guaranty and UCC-1 Financing Statement are attached as Exhibit "K" to the disclosure document.

Topic	Provisions	Explanatory Notes
Item Financed	A portion of the initial franchise fee	
Source of Financing	Franchisor	
Amount Financed	Up to 80% of the initial franchise fee.	The franchisee will pay a minimum of 20% down.
Term	36 months	Principal and interest amortized a 36-month term.
APR	9.8% per annum	
Installment Payment	Varies, depending on amount financed.	For a loan of \$39,200, the monthly payment would be \$1,261.20
Prepayment Penalty	None	Loan can be prepaid at any time without penalty.
Security Required	Lien on all Center assets	(See Note 2)
Liability Upon Default	Default interest rate is 18% per annum or highest rate allowed by law; entire principal balance immediately due and payable; collection costs; materials breach of Franchise Agreement.	(See Note 3)
Personal Guaranty	All of your owners must guaranty payment and performance.	(See Note 2)
Loss of Legal Rights on Default	You waive presentment, demand, protest and notice of demand and dishonor, protest and non-payment and all other legal or equitable defenses you may have.	
Governing Law	Florida law governs the Promissory Note and Security Agreement.	All actions will be brought in Sarasota County, Florida.

### **NOTES:**

(1) The amount financed is generally negotiated on an individual basis depending on several factors, including, your credit history, guarantees of your owners, and financial condition.

(2) To provide us with collateral to secure your prompt payment and performance under the Promissory Note, you will execute a Security Agreement which grants us a security interest in all of the assets of the FYZICAL® Center, including furniture, fixtures, equipment, accessories, inventory, licenses, permits, goods, materials, supplies, accounts, general intangibles, and all other assets, supplies and materials, under the Uniform Commercial Code. If you are a business entity, your owners will be required to guaranty performance and payment under the Promissory Note and the Security Agreement.

(3) Upon an event of default or acceleration event, the entire unpaid principal balance and all accrued interest will be accelerated and become immediately due and payable in full, and the interest rate will increase to the lesser of 18% per annum or the maximum rate permitted by law. An “event of default” means: (a) you fail to pay any sums when due to us under the Promissory Note, the Franchise Agreement or any other agreement with us and do not correct such failure within 5 days after written notice of such failure is delivered to you; or (b) you breach any other provisions of the Franchise Agreement and do not correct such failure within the applicable cure period. You agree to pay all costs of collecting amounts due under the Promissory Note. In addition, a default under any of the financing documents constitutes an event of default under the Franchise Agreement.

(4) We may sell or assign to a third party or discount all or part of the financing arrangement described above.

Except as described above, we do not offer direct or indirect financing. We do not guarantee any of your notes, leases or obligations. We do not receive any direct or indirect payments or other consideration from any person for the placement of any financing with any lender.

## **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 Center, we will:

1. Approve the location, build-out and design of your Center. See Section below entitled “Site Development” for additional information. (Franchise Agreement Sections 7.1, 7.3, 7.4; Development Rights Rider Section 7)

2. Provide you with access to the electronic version of the Manuals, which will help you establish your Center. See Section below entitled “Manuals” for additional information. (Franchise Agreement Section 6.2)

3. Provide you with written specifications for the goods and services you agree to purchase to establish your Center, as well as a written list of approved and/or designated suppliers for purposes of acquiring these goods and services. See Item 8 for additional information regarding your purchase of these goods and services. (Franchise Agreement Section 12.3)

4. Provide an initial training program. See Section below entitled “Initial Training Program” for additional information. (Franchise Agreement Section 5.1)

5. Designate a specific number of Centers that you (and your Approved Affiliates) must develop and open at accepted locations within your Development Territory and the development deadlines (if we grant you development rights) (Development Rights Rider Sections 2, 3 and 7)

6. Assist with the marketing and promotion of your Center. See Section below entitled “Grand Opening Marketing Fund” for additional information. (Franchise Agreement Section 11.1).

### **Time to Opening**

We anticipate that the typical length of time between the effective date of the Franchise Agreement and opening the FYZICAL® Center franchise will be approximately 210 to 270 days for a New Center or an MD Affiliate and 30 to 45 days for a Conversion Center. Some of the factors that may affect this time are identification of a suitable location, financing, the extent to which an existing location will be upgraded or remodeled, delayed installation of equipment and fixtures, completion of training, obtaining insurance, and complying with local laws and regulations.

You will not open your Center before: (1) successful completion of the pre-lab courses and orientation program; (2) you purchase all required insurance and provide us, at our option, with copies of such policies or evidence of coverage; (3) you obtain all required licenses, permits and other governmental approvals; and (4) you have received our written approval of the construction, build-out and layout of your Center. You agree to send us a written notice identifying your proposed opening date at least 30 days before



opening. We may conduct a pre-opening inspection of your Center, and you will make any changes we request prior to opening. You will open your Center within 270 days after the effective date of the Franchise Agreement, if you are opening a New Center or an MD Affiliate Center or within 45 days following the execution of the Franchise Agreement, if you are opening a Conversion Center. We may, from time to time in our sole discretion, agree to grant you a one-time 6-month extension to the deadline by which you must open your Center if you are otherwise in compliance with your Franchise Agreement and are otherwise using best efforts to open your Center. We may terminate the Franchise Agreement if you fail to open within the prescribed time period. If you fail to open within the prescribed time period, we may also, from time to time in our sole discretion, agree to grant you a one-time 24-month extension to locate and open a Center within any then-open territories if you are otherwise in compliance with your Franchise Agreement and are otherwise using best efforts to open your Center, but you will have no exclusive or protected territory rights in such event.

**Post-Opening Obligations:** During the operation of your Center, we will:

1. Continue to provide you with access to the electronic version of the Manuals, to assist you in operating your Center. See Section below entitled “Manuals” for additional information. (Franchise Agreement Section 6.2)
2. Assist with the marketing and promotion of your Center for the first five months of operation. See Section below entitled “Grand Opening Marketing Fund” for additional information. (Franchise Agreement Section 11.1).
3. Provide you ongoing guidance and recommendations on ways to improve the marketing and operation of your Center. (Franchise Agreement Section 6.5)
4. Maintain an Internet website that will include a list of all of the FYZICAL® Center franchisees that are in good standing with us. We may modify the content of and/or discontinue this website at any time in our sole discretion. (Franchise Agreement Section 6.6)

**In addition, during the operation of your Center, we may, but will not be obligated to:**

1. Provide on-site training or assistance at your Center. See Section below entitled “Ongoing Training” for additional information. (Franchise Agreement Section 5.3)
2. Provide periodic additional or refresher training programs. See Section below entitled “Ongoing Training” for additional information. (Franchise Agreement Section 5.2)
3. Hold periodic national or regional conferences to discuss business and operational issues affecting FYZICAL® Center franchisees, including industry changes, new services and/or merchandise, marketing strategies and the like. See Item 6 for additional information. (Franchise Agreement Section 5.4)
4. Negotiate purchase agreements with suppliers to allow you to purchase certain goods or services at discounted prices. See Item 8 for additional information. (Franchise Agreement Section 6.7)
5. Negotiate purchase agreements with suppliers that allow us to purchase certain items at discounted prices and resell them to you. See Items 6 and 8 for additional information. (Franchise Agreement Section 6.8)

6. Develop private label goods for sale by FYZICAL® Center franchisees. (Franchise Agreement Section 6.9)

### **Initial Training Program**

We will provide initial training to you (or your Operating Principal) for a period of 3 – 5 days. We recommend, but do not require, that your office manager also attend the initial training program. We will train these individuals at no additional charge to you. You (or your Operating Principal) must complete our pre-lab courses and orientation program to our satisfaction within 90 days from the effective date of your Franchise Agreement, and complete our lab program at least 60 days prior to the opening of your Center. As of the issuance date of this disclosure document, we provide in-person training 12 times a year. The below table provides a breakdown of the schedule of our initial training program as it is conducted on the issuance date of this disclosure document:

### **INITIAL TRAINING PROGRAM**

<b>FYZICAL Orientation</b>		
<b>Day 1 10 AM Monday</b>		
<b>Title</b>	<b>Location</b>	<b>Duration</b>
Intro and Welcome	SRQ HQ	0:30
FYZICAL College	SRQ HQ	0:25
Gameplan Walkthrough	SRQ HQ	0:45
<b>LUNCH</b>	SRQ HQ	0:35
Pre-Open Resources (design, before and after)	SRQ HQ	1:30
Equipment	SRQ HQ	0:30
<b>BREAK</b>	SRQ HQ	0:15
Hiring Strategies + Performance Based Culture	SRQ HQ	1:00
Pre-Open Resources (Credentialing, Equipment)	SRQ HQ	1:00
		6:30
<b>Day 2 8:00 AM Tuesday</b>		
<b>Title</b>	<b>Location</b>	<b>Duration</b>
COA and QB	SRQ HQ	1:00
FA Review/Royalty Reporting	SRQ HQ	0:30
<b>Break</b>	SRQ HQ	0:15
10 Point Management + Pillars and Vitals	SRQ HQ	1:15
Goal Setting and Operating Budget	SRQ HQ	1:00
<b>Lunch</b>	SRQ HQ	1:00
Strategic Partners	SRQ HQ	0:45
IT Security and Microsoft Suite	SRQ HQ	0:45
<b>Break</b>	SRQ HQ	0:15
Business of Balance	SRQ HQ	2:00
		8:45
<b>Day 3 9:00 AM Wednesday</b>		
<b>Title</b>	<b>Location</b>	<b>Duration</b>

Intros / Review Today's Agenda	SRQ HQ	0:10
FYZICAL Portal Demo	SRQ HQ	0:30
FYZICAL Marketing Suite: New Start Solution	SRQ HQ	0:30
Physician Marketing	SRQ HQ	1:00
<b>Break</b>	SRQ HQ	0:15
FYZICIAN Liaison Hiring	SRQ HQ	0:30
<b>LUNCH</b>	SRQ HQ	0:50
Community Marketing	SRQ HQ	0:30
Public Relations	SRQ HQ	0:30
Web & Digital Marketing	SRQ HQ	0:45
Marketing Wrap Up - Survey	SRQ HQ	0:10
		5:40
<b>FYZICAL Lab</b>		
<b>Day 4 8:00AM Thursday</b>		
<b>Title</b>	<b>Location</b>	<b>Duration</b>
Morning Intro	SRQ HQ	0:20
CCS	SRQ HQ	1:15
MIPS	SRQ HQ	0:15
<b>BREAK</b>	SRQ HQ	0:15
Revenue Cycle Management	SRQ HQ	0:45
Risk Mitigation	SRQ HQ	0:45
Audit Preparation & Prevention	SRQ HQ	0:30
<b>LUNCH</b>	SRQ HQ	0:45
Medicare Compliance Manual	SRQ HQ	0:15
Treatment Codes - The Playing Rules	SRQ HQ	0:30
<b>BREAK</b>	SRQ HQ	0:15
Financial Statements	SRQ HQ	0:30
Case Studies	SRQ HQ	0:35
BI with DMR and DCPR	SRQ HQ	0:30
		7:25
<b>FYZICAL Lab</b>		
<b>Day 5 8:00 AM Friday</b>		
<b>Title</b>	<b>Location</b>	<b>Duration</b>
Field Marketing Overview	SRQ HQ	3:00
<b>LUNCH</b>	SRQ HQ	1:00
Liaison Role Playing	SRQ HQ	2:00
		6:00

The time periods allocated to the subjects listed above are approximations, and the time actually invested by you and your personnel may vary based on the experience and performance of those persons being trained. On-the-job training will occur on an as-needed basis as part of the initial training program.

The instructional materials used in the initial training will consist primarily of our Manuals and other handouts, and lectures. You will not be charged an additional fee for any of the training materials.

You will be responsible for costs incurred by your trainees while attending our initial training program such as costs related to their travel, meals, lodging, etc.

We also require that you (and your Client Care Specialist) attend and complete a virtual administrative training track program to our satisfaction. We will provide this training at no additional charge to you. You (and your Client Care Specialist) must complete this training to our satisfaction at least 30 days prior to the opening of your Center. As of the issuance date of this disclosure document, we provide this training in six consecutive courses that are offered weekly. The below table provides a breakdown of the schedule of our virtual administrative training track program as it is conducted on the issuance date of this disclosure document:

Client Care Specialist Training		
Virtual: All Sessions Offered Weekly		
Title	Location	Duration
<b>Session One:</b> Daily Management Report Build/training	Virtual	1:00
<b>Session Two:</b> Direct Access, Verification of Benefits, Out of Network Discussions	Virtual	1:00
<b>Session Three:</b> Patient Collections, Payment Plans, Financial Hardship	Virtual	1:00
<b>Session Four:</b> Workers Compensation, Auto/PIP	Virtual	1:00
<b>Session Five:</b> Advanced Beneficiary Notice, Good Faith Estimate/No Surprises Act, Medicare Compliance, Plan of Care Signatures and Progress Note and Recertification Timing	Virtual	1:00
<b>Session Six:</b> Scripting and Role Playing	Virtual	1:00
General Admin Q&A Session and Test Out	Virtual	1:00

Our training is conducted by: Brian Werner who has been our National Balance Director since May 2015 and has over 23 years of experience in the field; Melissa Quigley, who has been our Development Coordinator since 2021 and has more than 4 years of experience in the field; Brian Sganga who has been one of our Regional Consultants since 2022 and has more than 26 years of experience in the field; Ginger Kimmel who has been one of our Franchise Administrative Consultants since 2021 and has more than 28 of experience in the field; Dawn Hesse who has been of our Director of Franchise Operations since 2021 and has more than 12 years of experience in the field; and Justen English who became our Marketing Manager in 2021 and has more than 9 years of experience in the field.

### **Ongoing Training**

We require that you comply with a 90-Day Post-Open Success program after the opening of your Center. This program entails weekly virtual meetings with our Post-Open success coach for the first 3 months after the opening of your Center. We will provide this training at no additional charge to you.

In order to maintain the uniformity and high standard of goods and services provided by FYZICAL® Center franchisees, we may provide periodic additional or refresher training programs for you, your Operating Principal, Clinical Director, Licensed Professionals and/or other key employees. If so, you may be required to pay a reasonable fee for each person (not to exceed \$1,500) who attends such training.

You will also be responsible for all expenses and costs that your trainees incur, including wages, travel and living expenses.

From time to time, you may request that we visit your Center to provide on-site training. We are not required to provide on-site training. If we agree, at our option, to provide any on-site training at your Center, you agree to pay us a reasonable fee (currently \$800 to \$1,600 per day), in an amount to be mutually agreed upon, for each of our personnel providing such on-site training, and also reimburse us for their meals, travel, lodging and other expense. Any on-site training is subject to availability of our personnel. On-site training held in conjunction with regularly scheduled site visits, with no additional expenses, will not require reimbursement or fees.

For the benefit of the franchise system, we may also hold periodic national or regional conferences, including an annual conference (up to 2 days in duration), to discuss various business issues and operational and general business concerns affecting FYZICAL® Centers. We will determine whether attendance at these conferences is mandatory or optional. We will not require attendance at more than one mandatory conference during any 12-month period. We will not charge any registration fees for owners to attend any annual conference deemed mandatory, but you are responsible for all food, travel and lodging expenses that your owners and employees incur while attending conferences.

For the benefit of the franchise system, we currently provide 548 online courses, webinars, and training videos via “FYZICAL College for your (or your Operating Principal), Clinical Director, Licensed Professionals and/or other key employees. We do not charge any fees for owners and/or employees to access the virtual courses.

### **Manuals**

We will provide you with access in text or electronic form to our Manuals during the term of your Franchise Agreement. The Manuals may include, among other things, (a) a description of the authorized goods and services that you may offer at your Center; (b) required and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for FYZICAL® Center franchisees; (c) required reporting and insurance requirements; (iv) required and suggested specifications for your Center; and (d) a written list of goods and services (or specifications for goods and services) you will purchase for the construction or remodel of your Center and the development and operation of your Center and a list of any designated or approved suppliers for these goods or services. The Manuals are confidential and remain our property. We may modify the Manuals at any time, but the modification(s) will not alter your status or fundamental rights under the Franchise Agreement.

As of the date of this disclosure document, the Manuals contain a total of 1207 pages. A copy of the Table of Contents to the Manuals is attached to this disclosure document as Exhibit “E”.

### **Site Development**

A FYZICAL® Center typically ranges in size from 1,200 square feet to 2,200 square feet, but may be smaller or larger depending on your circumstances. If you intend to develop a New Center or an MD Affiliate Center, you agree to locate and receive our approval of the premises from which you will operate your Center. If you intend to operate a Conversion Center, the location of your existing physical therapy or wellness center is deemed approved by us. The premises will be located within your Search Area (as defined in Item 12) and conform to our minimum site selection criteria. You will send us a complete site report (containing the demographic, commercial and other information, photographs and video tapes that we may reasonably require) for your proposed site. We will use our best efforts to approve or disapprove a proposed site within 15 days after we receive all of the requisite materials. Your site is deemed

disapproved if we fail to issue our written approval within the 15-day period. In reviewing a proposed site, we will consider factors such as parking, size, traffic counts, general location, existence and location of competitive businesses, general character of the neighborhood and various economic indicators. We do not own the premises used by our franchisees to operate their Centers. Under the Development Rights Rider, we first must accept each new site you propose for each new FYZICAL® Center. After we accept (and you secure) a proposed site, we will also determine the Protected Area for that FYZICAL® Center, as provided in Item 12. Our then-current standards for sites and Areas of Protection will apply.

You agree to deliver copies of the proposed lease agreement and related documents to us for approval before you sign them. Our approval will be limited to ensuring that the lease and related documents are consistent with the Franchise Agreement and our standards and specifications for FYZICAL® Centers. You agree to send us a copy of your fully executed lease within 5 days of its execution. We may terminate your Franchise Agreement if you and we are unable to agree on a site for your Center, or you have not obtained a fully-signed lease agreement for the premises, within 120 days of the effective date of your Franchise Agreement. We may, from time to time in our sole discretion, agree to grant you a one-time 6-month extension to the deadline by which you must have a fully-signed lease agreement for the premises if you are otherwise in compliance with your Franchise Agreement and otherwise using best efforts to locate and obtain a lease agreement for the premises.

After you purchase or lease your approved site, you agree to construct and equip the premises to the specifications contained in the Manuals. You also agree to install the equipment, fixtures, signs and other items that we require. Before you open, we will approve the build-out and layout of your Center. You will remodel and make all improvements and alterations to your Center that we reasonably require from time to time to reflect our then-current image, appearance and facility specifications. You may not remodel or significantly alter your premises without our prior approval.

We will help coordinate your purchase of equipment, signs, fixtures, opening inventory, and supplies that are required to be purchased from designated suppliers.

### **Computer System**

You agree to obtain and maintain, at your expense, the computer hardware and software that we designate in the Manuals (the “**Computer System**”). We may develop and license/sublicense proprietary software programs that you agree to use in the operation of your Center. We may inspect your Computer System and access the data collected by and stored on the Computer System. We will also have the right to independent access to the Computer System and to the data collected. As business associates and covered entities for purposes of the Health Insurance Portability and Accountability Act of 1996 and its implementing regulations, as amended from time to time (“**HIPAA**”), we will also have access to patient health information. To evidence this relationship under HIPAA, you and we will sign our standard form of Business Associate Agreement (“**BAA**”). The current form of BAA is attached as Attachment “J” to the Franchise Agreement.

To operate efficiently, presently we require you to purchase and maintain 1 computer for every 1 clinical staff member, with a minimum of 2 computers. Accordingly, the number of computers will depend on the size of your Center and the number of personnel. You agree each computer will have a quad-core processor with a minimum 2.6GHz, 4GB RAM, a minimum 500GB hard drive, Wi-Fi capability, a gigabit Ethernet adapter and a DVD-RW drive. The Dell Optiplex desktop and Latitude laptop line of computers currently meet these criteria, but you may purchase or lease any computer that satisfies these requirements. You agree to use approved scheduling and EMR software, as well as billing software, which may be web-based or PC-based. Other required software currently includes Peachtree® Accounting or QuickBooks® (accounting software), and Microsoft Office® (including Word and Excel).

To operate efficiently, you agree that each computer will be connected to the Internet via high-speed Internet connection (e.g., digital subscriber, cable, ISDN, or T-1 Internet) with e-mail capabilities. A high-speed wireless network is recommended, but not currently required. In addition, you agree to purchase at least one high quality “all-in-one” laser printer/copier/scanner with network capabilities. You may utilize the “all-in-one” as your fax, but we recommend a separate, dedicated high-speed fax machine for sending and receiving faxes to and from physicians’ offices. We recommend, but do not currently require, that you purchase a service contract with a local provider for any necessary repairs to the “all-in-one,” since the printer capabilities are critical in the operation of your Center for printing clients’ information paperwork, files and other client related documents. In addition to the “all-in-one” printer, you agree to have a black-and-white printer for each of your Clinical Director, billing specialist and receptionist for printing miscellaneous documents and labels or billing on a daily basis. For customer service, you agree to have a multi-line telephone system with a minimum of 4 phone lines (3 for voice and 1 for fax) that has speakerphone and multi-mailbox, voicemail capabilities. To efficiently route consumers to your Center both during branding initiatives and for a consistent customer experience, you may be assigned or designated telephone number(s) and e-mail addresses that you agree to use in the operation of your Center. You agree to pay a reasonable fee (not to exceed \$50) to cover the cost of such telephone numbers and e-mail addresses and our administration and servicing of them but it is not currently charged. You agree that we reserve the right to control all telephone numbers and e-mail addresses used in the operation of your Center. We may also institute a “1-800” or centralized telephone number and/or call center services for all FYZICAL® Centers. The fee for this centralized telephone number or call center services will not exceed \$50 and is not currently charged. (See Item 6)

We estimate that the cost of the computer system will be approximately \$1,000 to \$3,000, depending on the size of your Center and the number of personnel. We estimate that your annual cost to maintain your Computer System will not exceed \$1,000.

Neither we nor any other party has any obligation to provide ongoing maintenance, repairs, upgrades or updates to your Computer System. You agree to maintain the computer hardware in good working order at your cost. We may change, upgrade, and update your Computer System requirement at any time, and you will have to comply with the changes. There are no limitations on the frequency or cost of this obligation.

You are also responsible for priority cabling and all networking services related to the Computer System. Except as described above, there currently are no optional or required support contracts. We reserve the right to change the software or technology that you agree to use or add new software or technology at any time.

We may develop proprietary or non-proprietary computer hardware and software programs, systems and/or technology that we specify or mandate for use by FYZICAL® Center franchisees. We may do so periodically at any time and may modify, enhance, add to, or eliminate the use of any such computer software and similar systems. You will acquire and implement such systems on or before the deadlines we specify for doing so. In this connection, we may require that:

- (a) you enter into a license agreement with us or an affiliate which may require you to pay us commercially reasonable licensing, support and maintenance, and hosting fees;
- (b) if we enter into a master software or technology license agreement with a third party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts that we pay to the licensor based on your use of the software or technology, plus a reasonable amount to compensate us for installation or support services that we or our affiliate provide;

- (c) you obtain or license the software, technology or systems directly from the providers on such terms as we have approved; and/or
- (d) any combination of the foregoing.

### **Advertising and Marketing**

You will pay us an amount (to be set forth on Attachment “L” of your Franchise Agreement) (the “**Grand Opening Marketing Fund**”) to be used for the initial advertising, marketing and public relations programs and materials that we deem necessary or appropriate, in our sole discretion, in connection with the opening of your Center and for the first five months after your Center’s opening date. Your Grand Opening Marketing Fund will be such amount as determined by us, and is expected to be at least \$5,000 but will not exceed \$18,000. We will electronically debit the amount of your Grand Opening Marketing Fund from your checking account 60 days prior to the date your Center opens for business, and intend to start implementing such advertising/marketing starting 30 days from the date your Center opens for business. We reserve the right to defer or reduce the Grand Opening Marketing Fund for any FYZICAL® Center. If there are unspent monies in your Grand Opening Marketing Fund after your Center has been open for five months, we will distribute the unspent monies to you (within 30 days after the expiration of such five-month period).

We will direct all programs financed by your Grand Opening Marketing Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. Your Grand Opening Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, market research and other advertising, promotion and marketing activities. Your Grand Opening Marketing Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

Your Grand Opening Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses. All interest earned on monies contributed to your Grand Opening Marketing Fund will be used to pay advertising costs before other assets of your Grand Opening Marketing Fund are expended. We will prepare a statement, which need not be audited, of monies collected and costs incurred by your Grand Opening Marketing Fund and furnish the statement to you within five months after your Center’s opening date.

You acknowledge that your Grand Opening Marketing Fund is intended to maximize recognition of the Marks and patronage of your Center. Although we will endeavor to utilize your Grand Opening Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit your Center, we undertake no obligation to ensure that your Center will benefit directly from the development of advertising and marketing materials or the placement of advertising. The Grand Opening Marketing Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct or administer your Grand Opening Marketing Fund or for any other reason. We assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, your Grand Opening Marketing Fund.

As part of your required participation in the Grand Opening Marketing Fund, you must utilize our current preferred field marketing client relationship management (CRM) system to manage and track your



referral outreach activity. The cost of the CRM system is included in your Grand Opening Marketing Fund contribution for the first year. Should you choose to continue using the system beyond that time, all associated fees and costs will be your sole responsibility. Use of the CRM system is mandatory during your Grand Opening Marketing Period, which spans from thirty (30) days prior to your Center's official opening through the end of your Center's fifth full month of operations. Within the first 30 days before your Center opens, you are required to complete and document at least 150 referral visits across a minimum of 75 distinct facilities, ensuring that each facility is visited twice during this period. All outreach activity must be accurately recorded in the CRM system to verify compliance. Failure to meet this requirement may delay your Center's eligibility to open and/or participate in corporate marketing programs. Following your Center's opening, you are required to continue outreach at a cadence of at least one visit per month to each of the 75 facilities for the remainder of your Center's first calendar year in operation. While this requirement applies to your first year, it is strongly recommended that you continue consistent referral outreach as part of your long-term business development strategy.

We do not currently maintain or require you to contribute to a general marketing fund, however, we may do so at any time. If we do, we may require up to 2% of your Center's Gross Revenues to be contributed to a national marketing fund directed by us (the "**Marketing Fund**") for such advertising, marketing and public relations programs and materials on a system-wide basis that we deem necessary or appropriate, in our sole discretion. The Marketing Fund Contributions will be paid as prescribed by us in the Manual. We may require you to pay the Marketing Fund Contributions via automatic debit from your checking account. We reserve the right to defer or reduce contributions of a FYZICAL® Center franchisee and, upon 30 days' prior written notice to you, to reduce or suspend contributions to and operations of the Marketing Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Marketing Fund. If the Marketing Fund is terminated, all unspent monies on the date of termination will be spent for authorized purposes or distributed to our franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 12 calendar months. We and our affiliates will contribute to the Marketing Fund on the same basis as our franchisees.

We direct all programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. We are not required to spend any amount on advertising in your Protected Area. The Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead, including rent and utilities, as we may incur in activities related to the administration of the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We may spend, on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all FYZICAL® Centers to the Marketing Fund in that year. The Marketing Fund may borrow from us or others to cover deficits or invest any surplus for future use. If we lend money to the Marketing Fund, we may charge interest at an annual rate 1% greater than the rates we pay our lenders. We will prepare an

annual statement, which need not be audited, of monies collected and costs incurred by the Marketing Fund. Franchisees may obtain a copy of such statement by making a written request to us. We have the right to cause the Marketing Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in the Franchise Agreement.

The Marketing Fund is intended to maximize recognition of the Marks and patronage of FYZICAL® Centers. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all FYZICAL® Centers, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by FYZICAL® Center operating in that geographic area or that any FYZICAL® Center will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising. We assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Marketing Fund.

To establish brand recognition and to promote growth, we may, but do not currently, require you to invest at least 5%, but no more than 8% of your Center's Gross Revenue each month for local advertising and marketing to promote your Center; provided, however, that during the first five months after your Center's opening date, your local advertising requirement will be reduced by the amount that you contribute to the Grand Opening Marketing Fund (dollar for dollar), up to the amount of your local advertising requirement. No later than the 5th day of each month, you will provide us with a monthly report of your local advertising expenditures for the prior month (which will be accompanied by copies of receipts for such expenditures, if requested by us).

Advertising and marketing materials may, at our option, periodically be created and made available to you for purchase. These materials may be made available over the Internet (in which case you will arrange for printing the materials and paying all printing costs). Alternatively, third-party suppliers will create the advertising or marketing materials for your purchase.

Any advertising or marketing materials that you use will be approved by us in advance. You may not use any advertising materials that have not been approved by us. You agree to submit to us any advertising materials that you prepare or modify, and we will have 30 days to review and either approve or reject the materials. If we do not approve any advertising materials within the 30-day period, then the materials are deemed disapproved.

At this time, for brand uniformity we do not allow our franchisees to maintain their own websites. However, for conversions, we may allow you to continue to maintain your existing website under certain conditions and with certain modifications we require but only for a limited time that we determine appropriate depending on the market proximity of other Centers and other factors. Therefore, you may not maintain a Worldwide Website, conduct e-commerce, or otherwise maintain a presence or advertise on the Internet or any other public computer network except as specifically described in this Section. If we change our policy at a later date to allow franchisees to maintain their own websites, you may do so only if you comply with all of the website and Internet requirements that we specify. In that case, we may require that you sign an amendment to the Franchise Agreement that will govern your ability to maintain a website.

If an association of franchise owners is established in a geographic area in which your Center is located (the "Co-op"), you must join and actively participate in it. We will determine the area and membership of the Co-op by media coverage or other criteria that we establish. We will determine whether a Co-op should be formed, changed, dissolved or merged for your market. You must contribute to the Co-op such amounts as are determined by it periodically however, your total contribution shall not exceed 5%

of your Center's Gross Revenue. Your local advertising requirement will be reduced by the amount that you contribute to any Co-op (dollar for dollar), up to the amount of your local advertising requirement. Generally, all franchisees must contribute to the Co-op at the same rate. We and our affiliates will contribute to the Co-op on the same basis as our franchisees. Each Co-op will operate from written governing documents approved by the members and us, which will be available to you upon request. Generally, Co-ops are to be administered by their members; however, we may provide certain marketing services to the Co-ops. We reserve the right to require that the Co-op prepare annual financial statements. We also reserve the right to audit any accounts or funds collected by the Co-op.

### **Franchisee Advisory Council**

We currently have a Franchisee Advisory Council (the "FAC"). The FAC's Board of Directors is comprised of 7 members elected by franchisees. The FAC represent franchisees in periodic meetings of the FAC and meetings with us to discuss matters of common interest. The purpose of the FAC is to promote constructive, open and two-way communications between all of the franchisees and us. The goal of the FAC is to facilitate communication and build value within the FYZICAL® franchise system, promote the interchange of ideas among franchisees, and otherwise improve and facilitate communication between and among us and franchisees for the purpose of improving and strengthening the System, the FYZICAL® brand, and increasing revenues at FYZICAL® Centers. The FAC serves in an advisory capacity and does not have authority to establish or modify our policies. However, we take into consideration the input of the FAC in formulating plans, programs and policies which affect franchisees. We do not have the power to form, change or dissolve the FAC.

## **ITEM 12 TERRITORY**

### **Search Area**

If at the time of the execution of the Franchise Agreement for a New Center or an MD Affiliate Center, we have not granted our written approval of the Approved Location (as defined below), you must, following the execution of the Franchise Agreement, identify and seek our written approval of a proposed premises for your Center which must be located within the geographic boundaries of the territory (the "Search Area") described in ATTACHMENT "B" to the Franchise Agreement. For Conversion Centers, the site of your existing business that shall be converted into a FYZICAL® Center is deemed approved upon our execution of the Conversion Center. The Search Area will typically comprise of a geographical territory having a radius of up to 3 miles depending on factors such as demographic characteristics, traffic patterns, parking, signage, character of neighborhood, competition from and proximity to other businesses, and any other factors or characteristics that we consider appropriate. We identify the Search Area for the sole purpose of facilitating orderly development of the market. The Search Area is not an exclusive or protected territory surrounding your Center. The Search Area may not be modified or amended except in a writing signed by us.

### **Approved Location**

Each Franchise Agreement grants you the right to operate a single FYZICAL® Center at a single location that will be approved by us (the "Approved Location") within the Search Area and conform to our minimum site selection criteria, which may include demographic characteristics, traffic patterns, parking, signage, character of neighborhood, competition from and proximity to other businesses, the size, appearance and other physical characteristics of the proposed site, and any other factors or characteristics that we consider appropriate. You agree to send us a complete site report (containing photographs and any other information that we require) for your proposed site. We may accept or reject any proposed site in our commercially reasonable judgment. We will use our best efforts to approve or disapprove a proposed site

within 15 days after we receive all of the requisite materials. Once approved, the specific street address of the Approved Location will be listed in Attachment “C” to your Franchise Agreement.

You may not relocate your Center without our prior written approval, which we will not unreasonably withhold. If relocated, your Center must be located within your Protected Area and conform to our minimum site selection criteria, which may include demographic characteristics, traffic patterns, parking signage, character of neighborhood, competition from and proximity to other businesses, the size, appearance and other physical characteristics of the proposed site, and any other factors or characteristics that we consider appropriate. If we allow you to relocate, you agree to: (1) comply with all of our then-current site selection and development requirements; (2) open your new Center and resume operations within 10 days after closing your prior Center; and (3) continue to pay us Royalties and any other recurring fees during any period that your Center is closed for relocation. You agree to reimburse us for any costs and expenses that we incur in connection with the relocation of your Center.

### **Protected Area**

As long as you are in compliance with the Franchise Agreement, including the Minimum Performance Standards (defined below), we will not, during the term of your Franchise Agreement, operate or grant others the right to operate another FYZICAL® Center within the specific geographic area we designate as your protected area (the “**Protected Area**”). The size of your Protected Area will be a radius around your Center that encompasses a population of approximately 40,000. The size of your Protected Area will not be increased or reduced due to any change in population during the term of the Franchise Agreement.

### **Minimum Performance Standards**

Commencing with your second year of operations, you agree to the following minimum performance levels (the “**Minimum Performance Standards**”) each year during the term of your Franchise Agreement to retain exclusive rights in the Protected Area:

<b>Time Period</b>	<b>Minimum Annual Gross Revenue (Non-Cumulative)</b>
Year 1	Not Applicable
Year 2	\$100,000
Year 3	\$200,000
Year 4	\$300,000
Year 5 and thereafter	\$400,000

If you fail to achieve the Minimum Performance Standards during any period, we may, at our option, effective 30 days after we deliver written notice to you: (a) terminate your Protected Area; or (b) reduce the scope of the geographic area comprising the Protected Area. If we terminate your exclusive rights to the Protected Area or reduce the scope of the Protected Area, you may continue to operate your Center, but we may establish and operate, or allow others to establish and operate, FYZICAL® Centers in your former Protected Area or former portion(s) of the Protected Area, as the case may be.

Except for the Minimum Performance Standards described above, the territorial rights granted to you are not dependent on your achievement of a certain sales volume, market penetration, or other contingency. As long as you are in compliance with the Franchise Agreement, there are no circumstances

under which the Protected Area granted to you may be altered before the expiration or the termination of the Franchise Agreement without your written consent.

### **Development Rights**

You may (if you qualify) develop and operate a number of FYZICAL® Centers within a specific territory (the “**Development Territory**”). We and you will identify the Development Territory in the Development Rights Rider before signing it. We base the Development Territory’s size primarily on the number of FYZICAL® Centers we approve you to develop and the population and demographics of the Development Territory. We will determine the number of FYZICAL® Centers you must develop, and the deadlines for development, to keep your development rights. We and you then will complete the schedule in the Development Rights Rider before signing it. Under the Development Rights Rider, we first must accept each new site you propose for each new FYZICAL® Center. After we accept (and you secure) a proposed site, we also will determine the Protected Area for that FYZICAL® Center. Our then-current standards for sites and Protected Area will apply.

You may not develop or operate FYZICAL® Centers outside the Development Territory. While the Development Rights Rider is in effect, we (and our affiliates) will not establish and operate or grant others the right to establish and operate FYZICAL® Centers having their physical locations within the Development Territory. You will not receive an exclusive territory under the Development Rights Rider. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. There are no restrictions on our soliciting or provided goods or services to consumers inside the Development Territory.

The location protection described above is the only restriction on our (and our affiliates’) activities within the Development Territory during the development term. We may terminate the Development Rights Rider if you do not satisfy your development obligations.

Despite the development schedule in the Development Rights Rider, we may delay your development and/or opening of additional FYZICAL® Centers within the Development Territory if we believe, when you apply for another FYZICAL® Center, or after you have developed and constructed but not yet opened a particular FYZICAL® Center, that you are not yet operationally, managerially, or otherwise prepared (no matter the reason) to develop, open, and/or operate the additional FYZICAL® Center in full compliance with our standards and specifications. We may delay additional development and/or a FYZICAL® Center’s opening for the time period we deem best if the delay will not in our reasonable opinion cause you to breach your development obligations under the development schedule (unless we are willing to extend the schedule to account for the delay).

Except as described above, continuation of your territorial rights with respect to the Development Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency. We may not alter your Development Territory during the Development Rights Rider term. Although we have the right to do so, we and our affiliates have not established other franchises or company-owned outlets or another distribution channel selling or leasing similar products or services under a different trademark.

### **Reserved Rights**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Other than the “**Territory Opportunity**” described below, and unless you acquire development rights pursuant to a Development Rights Rider (described above), you are not granted any options, rights of first refusal or

similar rights to acquire additional territories or franchises. You may provide services at the site of your Center to anyone from anywhere.

We (and our affiliates) retain the rights to do any or all of the following without any obligation to pay compensation to you:

(a) Establish and operate, and grant franchises to others to establish and operate, FYZICAL® Centers anywhere outside the Protected Area and Development Territory, on such terms and conditions as we deem appropriate (even immediately outside the border of the Protected Area or Development Territory).

(b) Establish and operate, and grant franchises to others to establish and operate, businesses of any kind whatsoever, whether located within or outside the Protected Area or Development Territory, that do not use the Marks.

(c) Establish and operate, and grant franchises to others to establish and operate, anywhere (including within the Protected Area) businesses providing health-care or wellness related services under the Marks, subject to your right of first refusal as described under “Territory Opportunity” below.

(d) Sell or license others to sell competitive or identical goods or services (whether under the Marks or under different trademarks) through Alternative Channels of Distribution, regardless of location. An “**Alternative Channel of Distribution**” means any channel of distribution other than retail sales made to customers from a FYZICAL® Center. Examples of Alternative Channels of Distribution include: (i) sales through direct marketing, such as over the Internet or through catalogs or telemarketing; (ii) sales through retail stores that do not operate under the Marks; and (iii) sales made at wholesale. Sales through Alternative Channels of Distribution are excluded from your territorial protections. This means that your territorial protections do not limit our ability to sell or license others to sell competitive or identical goods or services through Alternative Channels of Distribution within your Protected Area or Development Territory. You are not entitled to any compensation for any sales that we or our affiliates make through Alternative Channels of Distribution. You are not permitted to market or sell through Alternative Channels of Distribution.

(e) Acquire, or be acquired by, another business or chain that may sell competitive or identical goods or services, but any centers or outlets that we acquire will not operate under the Marks if they are located within your Protected Area or Development Territory.

Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under the Franchise Agreement.

Currently, neither we nor any affiliate of ours intends to operate or franchise another center under a different trademark that sells products or services similar to the products or services offered at a FYZICAL® Center. However, we reserve the right to do so in the future.

### **Right of First Refusal for Territory Opportunity**

If we or our affiliate operate or grant franchises for the operation of a health-care or wellness-related business offering products or services under the Marks that involves the location of a physical outlet within your Protected Area (a “**Territory Opportunity**”), we will provide you with a right of first refusal for such Territory Opportunity on the following terms:

1. We will provide you with written notice of a Territory Opportunity expected to be physically located within your Protected Area. You will have 60 days to advise us in writing that you wish to participate in the Territory Opportunity.

2. If you do not notify us within such period, then we may pursue such Territory Opportunity and/or grant any other person or entity the right to participate in such Territory Opportunity without any liability to you.

3. If you timely notify us in writing that you wish to participate in the Territory Opportunity, then we may condition your participation on compliance with such terms and conditions as we consider appropriate to the particular Territory Opportunity, including: (i) execution of such franchise agreement and related agreements as are then generally used by us in connection with the award of the applicable Territory Opportunity; (ii) timely payment of all initial fees and any other fees charged by us or our affiliate in connection with the award or grant of the applicable Territory Opportunity; and (iii) meeting our then-current eligibility requirements applied by us to candidates for such Territory Opportunity.

### **National Accounts**

You agree to participate in any National Accounts programs that we establish from time to time. A “**National Account**” is a customer that we designate for participation in any National Accounts program, that operates under the same trademarks or service marks through independent franchises or some other association, at multiple locations, or who we otherwise consider as a customer or potential customer for FYZICAL® Centers in multiple geographic areas. The locations of some of the National Accounts may be in your Protected Area. You will receive compensation for your participation in National Accounts Programs, on the terms outlined in the Manuals.

### **Advertising and Solicitation**

Currently, you may solicit customers and advertise your Center anywhere you choose. There are no restrictions on you, any of our other franchisees, any of our affiliates, or us to prevent any soliciting or advertising in another person’s Protected Area. However, we reserve the right to designate or limit the areas in which you and other FYZICAL® Centers may advertise, except that we will not limit your right to advertise your Center to patients and potential patients located within your Protected Area. You agree all of your advertising and marketing materials will be approved by us prior to their use. There are no other restrictions on your right to solicit customers, whether from inside or outside of your Protected Area. No party is obligated to pay compensation to any other party for soliciting customers from the other party’s Protected Area, although we may change our policies and require compensation in the future.

You may use the Internet to advertise only in compliance with the Franchise Agreement and the Manuals. You may use social media only in compliance with our policies, as amended from time to time.

### **Businesses Operated Under Other Trademarks**



Although we are not restricted from doing so, we and our affiliates have not established and do not currently intend to establish any other franchises or company-owned outlets offering similar services or goods under a different trademark anywhere in the United States.

## **ITEM 13 TRADEMARKS**

The Franchise Agreement grants you the right to operate a FYZICAL® Center under the trademark and service mark “FYZICAL® plus design” and related trademarks, service marks, logos and commercial

symbols, and to use any future Marks we authorize. You agree to use the Marks in strict accordance with the Franchise Agreement and the Manuals.

The following schedule lists the principal Marks that you are licensed to use, which are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
 Word and design	4478721	February 4, 2014
 Design only	4413815	October 8, 2013
FYZICAL Word only	5079869	November 8, 2016
BODYQ	5177181	April 4, 2017
LOVE YOUR LIFE	5358886	December 19, 2017
MSBD	5453869	April 24, 2018

We own the Marks. You agree to follow our rules when using the Marks and not use our name or Mark as part of a corporate name or with modifying words, designs, or symbols unless you receive our prior written consent. You must not use the Marks in connection with the sale of any product or service that is not previously authorized by us in writing.

We reserve the right to substitute different trade names, service marks, trademarks and indicia of origin for the Marks if the Marks can no longer be used, or if we determine, in our sole discretion, that substitution will be beneficial to the System. If we do, you agree if requested to discontinue or modify your use of any Mark or use one or more additional or substitute Marks, at your expense. You agree to comply with our directions within the time period prescribed in our notice. We will not be obligated to reimburse you for any expenses or loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark.

You agree to notify us immediately when you learn about an infringing or challenging use of the Marks. We will take the action we think appropriate, but we are not required to take any action if we do not feel it is warranted. We may require your assistance, but you are not permitted to control any proceeding or litigation relating to our Marks. You agree to not directly or indirectly contest our right to the Marks. Under the Franchise Agreement, we are not (1) required to protect your right to use the Marks or protect you from claims of unfair competition arising out of your use of the Marks, or (2) obligated to indemnify



you against any damages for which you are held liable to third parties arising out of your use of any of the Marks, unless otherwise required by applicable law.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of this state or any court; no pending infringements, oppositions or cancellations; and no pending material litigation involving any of the Marks. We do not know of any infringing uses that could materially affect your use of the Marks. All required affidavits of use have been filed in a timely manner.

The Development Rights Rider does not grant you the right to use the Marks. These rights arise only under signed Franchise Agreements with us.

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

No patents or patent applications are material to the franchise. Although we have not filed an application for copyright registration for the Manuals, we do claim a copyright to the Manuals. During the term of your Franchise Agreement, you are allowed to use our proprietary information relating to the development, marketing and operation of your Center, including, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

You agree to maintain the confidentiality of all of our proprietary information and use it only in strict accordance with the terms of the Franchise Agreement and the Manuals. You agree to promptly tell us when you learn about unauthorized use of our proprietary information. We are not obligated to act, but will respond to this information as we deem appropriate. You are not permitted to control any proceeding or litigation alleging the unauthorized use of any of our proprietary information. We have no obligation to indemnify you for any expenses or damages arising from any proceeding or litigation involving our proprietary information. There are no infringements that are known by us at this time.

The Development Rights Rider does not grant you the right to use any intellectual property. These rights arise only under signed Franchise Agreements with us.

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

If the franchisee is a business entity or more than one natural person, then we require the franchisee to designate an owner or principal officer acceptable to us (the “**Operating Principal**”) to assume responsibility for the supervision, management and proper operation of the Center. We do not require the Operating Principal to have an ownership interest in the business entity. The Operating Principal will have the authority to bind you regarding all operational decisions with respect to your Center. Your relationship with the Operating Principal, Clinical Director and any Licensed Professionals that you engage will comply with your state’s laws and regulations. You agree the Operating Principal (or the franchisee, if there is no designated Operating Principal) will successfully complete our initial training program and any other training programs we require from time to time. You agree your Clinical Director, Licensed Professionals and other employees who have access to our trade secrets and other confidential information will execute the noncompetition and nondisclosure agreement before having access to said operational systems, trade secrets, and other confidential information.

If you (or your Operating Principal) will not be actively supervising and managing your Center or if you (or your Operating Principal) do not qualify as a Licensed Professional, then you agree to recruit and hire a “**Clinical Director**”. You agree that the Clinical Director will: (i) be a Licensed Professional; (ii) have a sufficient amount of experience (in terms of duration, operational responsibilities, previous training,

etc.) as a general manager or in a similar supervisory position to demonstrate that he or she is capable of managing a FYZICAL® Center on a full-time ongoing basis; (iii) have management responsibility and authority over the day-to-day operations of the Center; (iv) be actively employed by you or the Entity on a full-time basis to manage the Center's operations; (v) be bound by our then-current form of confidentiality and non-competition agreement (or other contract in form and substance satisfactory to us); and (vi) have satisfactorily completed our initial training program and any other training programs we require from time to time.

If you are a business entity (e.g., corporation, partnership or limited liability company), each of your owners agree to personally guarantee your obligations under the Franchise Agreement and agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement. This includes both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. The form of “**Owners’ Guaranty**” is attached to the Franchise Agreement as Attachment “E”. We will also require the spouse of each owner to consent to his/her marital property be bound by the guaranty.

You also agree to complete and deliver to us a “**Statement of Ownership Interest**” in the form attached as Attachment “D” to the Franchise Agreement, which describes all of your owners and their interests in you.

To protect the proprietary knowledge and maintain a competitive advantage you agree all of your employees and other agents who may have access to our confidential information will be bound by a Confidentiality Agreement, the current form of which is attached to the Franchise Agreement as Attachment “H”.

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

You agree we have the right to approve all goods and services that you sell at or through your Center. You agree to offer all goods and services that we require. You may not sell any goods or services that we have disapproved. We have the unrestricted right to change the goods and/or services that you have agreed to sell as part of your Center at any time in our sole discretion, and you will comply with any such change.

You agree all products and services you use, offer or sell at your Center will conform to our standards and specifications. These are described in our Manuals and other writings. You agree not to deviate from our standards and specifications unless we first give you our written consent. You also agree to comply with all applicable laws and regulations and secure all governmental approvals for the operation of your Center.

We have the right to modify standards and specifications from time to time, and any such modifications may obligate you to invest additional capital in your Center and/or incur higher operating costs; provided, however, that such modifications will not alter your fundamental rights under your Franchise Agreement. We will provide you with notice of any required modifications. Our notice will indicate how long you will have to make such changes and modifications, which will generally be 30 to 90 days, depending on the type of change that is required. There is no limit on the amount you may be required to spend to change your equipment, remodel your Center, or make other improvements or modifications that we specify during the term of your Franchise Agreement. There is also no limit on your obligation to remodel the Center during the term of your Franchise Agreement or as a condition to renewing or transferring your franchise. The Franchise Agreement gives us the right to establish the maximum and/or minimum retail prices you may charge customers for the products and services we authorize you to offer and sell.

You agree all advertising and promotional materials, signs, and other items that we designate will bear the Marks in the form, color, size, location and manner we require. You agree not to advertise, promote, post or list information relating to the FYZICAL® Center on the Internet (through the creation of a website or otherwise), without our prior written consent.

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

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

THE FRANCHISE RELATIONSHIP		
Provision	Sections in Franchise Agreement	Summary
a. Length of the franchise term	Franchise Agreement Section 4.1; Development Rights Rider	Term is 10 years.  Development Rights Rider term depends on development obligations.
b. Renewal or extension of the term	Franchise Agreement Sections 4.1 & 4.2; Conversion Addendum Section 5	Upon expiration of your franchise agreement, you may acquire 2 consecutive franchises for 10 years each if you sign our then-current form of Franchise Agreement (which may have terms and conditions materially different than your original franchise agreement) and satisfy other renewal conditions.  Nor renewal or extension of Development Rights Rider.
c. Requirements for franchisee to renew or extend	Franchise Agreement Sections 4.1 & 4.2	You agree to: (1) not be in default; (2) give us timely notice; (3) enter into our then-current form of franchise agreement and related documents (e.g., personal guaranty, noncompetition agreement, etc.); (4) enter into a general release; (5) pay successor franchise fee; (6) remodel or upgrade your Center to comply with our then-current standards and specifications; (7) maintain possession of your Center under your lease; and (8) take any additional action that we reasonably require. If you renew, you may be required to enter into an agreement with materially different terms and conditions than the original agreement.
d. Termination by franchisee	Franchise Agreement Section 20.1	You can terminate if we fail to cure a material default within the cure period, subject to applicable state law.

### THE FRANCHISE RELATIONSHIP

e. Termination by franchisor without cause	Franchise Agreement Section 20.4	We can terminate without cause if you and we mutually agree to terminate.
f. Termination by franchisor with cause	Franchise Agreement Sections 20.2 & 20.3; Development Rights Rider	<p>We can terminate if you default.</p> <p>While termination of the Development Rights Rider does not impact any then-effective franchise agreement, termination of the Franchise Agreement entitles us to terminate the Development Rights Rider.</p>
g. "Cause" defined - curable defaults	Franchise Agreement Section 20.3	<p>You have 30 days to cure any default, other than defaults described below under "non-curable defaults."</p> <p>No defaults under the Development Rights Rider are curable. While termination of the Development Rights Rider does not impact any then-effective franchise agreement, termination of the Franchise Agreement entitles us to terminate the Development Rights Rider.</p>
h. "Cause" defined - non- curable defaults	Franchise Agreement Section 20.2; Development Rights Rider Section 9	<p>The following defaults under your franchise agreement cannot be cured: (i) failure to successfully complete training; (ii) failure to find approved site, secure lease or open in timely manner; (iii) insolvency, bankruptcy or seizure of assets; (iv) abandonment of franchise; (v) failure to maintain required license or permit; (vi) conviction of certain types of crimes or be the subject of certain administrative actions; (vii) failure to comply with any applicable law; (viii) commission of act that may adversely affect the reputation of System or Marks; (ix) health or safety hazards; (x) material misrepresentations; (xi) failure to pay us or affiliate within 5 days after demand; (xii) the license of the Licensed Professional is suspended or revoked (unless the Licensed Professional is replaced within 60 days); (xiii) unauthorized transfers; (xiv) unauthorized use of our intellectual property; (xv) violation of confidentiality, noncompetition or non-solicitation covenant; (xvi) termination of your lease due to your default; or (xvii) termination of any other agreement between you and us or an affiliate due to your default.</p> <p>The following defaults under the Development Rights Rider cannot be cured: (i) failure to satisfy your development obligations; (ii) failure to satisfy other obligations under the Development Rights Rider; (iii) termination of any franchise agreement between us and you (or your affiliated entity); or (iv) failure to cure defaults under any franchise agreement between us and you (or your affiliated entity). Termination of the Development Rights Rider does not impact any then-effective franchise agreement.</p>
i. Franchisee's obligations on termination/non renewal	Franchise Agreement Section 21.1 and Section 15.7	Obligations include complete de-identification, cease use of intellectual property, return of Manuals and all branded materials, return of software, assignment of customer information and accounts, cancellation of fictitious names, non-disparagement, and payment of amounts due (also see "r" below).

### THE FRANCHISE RELATIONSHIP

j. Assignment of contract by franchisor	Franchise Agreement Section 19.1	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Franchise Agreement Section 19.2 & <u>Attachment "A"</u> (definition of "Transfer")	Includes transfer of contract or assets, or ownership change.
l. Franchisor approval of transfer by franchisee	Franchise Agreement Sections 19.2, 19.3 & <u>Attachment "A"</u> (definition of "Permitted Transfer"); Development Rights Rider	If certain conditions are met, you may transfer to a newly-formed entity owned by you, or in certain instances, to an immediate family member or existing owner, without our approval. We have the right to approve all other transfers but will not unreasonably withhold approval.  Your development rights under Development Rights Rider are not assignable.
m. Conditions for franchisor approval of transfer	Franchise Agreement Section 19.2	Transferee will meet our qualifications, successfully complete training (or commit to do so), obtain all required licenses and permits, and enter into a new franchise agreement for the remainder of the term (or at our option, take assignment of existing franchise agreement). You will be in compliance with Franchise Agreement, assign your lease, if applicable, remodel the Center to current standards (or get a commitment from transferee to do so), pay us the Transfer Fee and sign a general release and subordination agreement. We notify you that we do not intend to exercise our right of first refusal.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement Section 19.5	We have the right to match any bona fide, arms-length offer for your Center.
o. Franchisor's option to purchase franchisee's business	None	None
p. Death or disability of franchisee	Franchise Agreement Section 19.4	Within 180 days, franchise will be assigned by estate to an assignee in compliance with conditions for other transfers. We may designate a manager to operate the Center prior to transfer.
q. Non-competition covenants during the term of the franchise	Franchise Agreement Section 14.2, 14.3, 14.5, 14.6, 14.7 & 14.8	No involvement in competing center; comply with non-solicitation and non-disclosure covenants.

## THE FRANCHISE RELATIONSHIP

r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement Sections 14.2, 14.4, 14.5, 14.6, 14.7, 14.8, 21.1 & <u>Attachment “A”</u> (definition of “Post-Term Restricted Period” & “Restricted Territory”); Conversion Addendum Section 10	Subject to applicable state laws (See Exhibit “G” for state specific information), no involvement for 2 years in competing business located or operating within a 15-mile radius of your Center or within a 3-mile radius of any FYZICAL® Center in operation on the date of termination or expiration of the Franchise Agreement; comply with non-solicitation and non-disclosure covenants; cease use of intellectual property. If you are a conversion franchisee, you may, at your option, upon expiration or termination of the Franchise Agreement, pay us an amount equal to 24-months’ trailing Royalty, in which case the post-term competitive restrictions will not apply. If you are a new Center franchisee and have fully complied with the terms of your Franchise Agreement during the entire term, you will have the option, upon expiration (but not termination) of the Franchise Agreement to pay us an amount equal to 24 months’ trailing Royalty, in which case the post-term competitive restrictions will not apply. In all cases, the confidentiality provisions will continue to apply following expiration or termination of the Franchise Agreement.
s. Modification of the agreement	Franchise Agreement Sections 3.3, 14.8,	Requires writing signed by both parties (except for (i) unilateral changes to Manuals, (ii) unilateral reduction of scope of restrictive covenants by us; or (iii) modification to the Protected Area due to your failure to meet the Minimum Performance Standards). Other modifications primarily to comply with various states’ laws.
t. Integration/merger clause	Franchise Agreement Section 24.7	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises made outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement Section 22	All disputes will be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants (subject to applicable law).
v. Choice of forum	Franchise Agreement Section 22; Promissory Note Section 12; Security	All mediation and litigation will take place in the county where we (or our successors or assigns, if applicable) maintain our (their) principal place of business (currently, Sarasota County, Florida) at the time the dispute arises (subject to applicable law).
w. Choice of law	Franchise Agreement Section 24.1; Promissory Note Section 13; Security	Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.) law of the State of Florida shall apply (subject to applicable law).

Please refer to Exhibit “G” for any disclosure addenda and contractual amendments appended to this disclosure document or the Franchise Agreement for additional terms that may be required under applicable state law.

## ITEM 18 PUBLIC FIGURES

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

## ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not own or operate any FYZICAL® Center. For the purposes of Item 19, Centers owned by our affiliates are referred to as “**Company-Owned Centers**” and Centers owned by our franchisees are referred to as “**Franchisee-Owned Centers**”. As of December 31, 2024, our affiliates owned 56 Centers and our franchisees owned 539 Centers. Franchisee figures are self-reported and we have not independently verified the accuracy of the information provided by our franchisees.

The following six charts demonstrates: (i) financial performance information for fiscal year 2024 at 45 of the Company-Owned Centers that had revenue for every month of the calendar year 2024 and meet our recommended square footage of at least 2,000 square feet as of December 31, 2024 (“**2024 Company-Owned Centers**”), (ii) financial performance information for fiscal year 2024 at 213 of the Franchisee-Owned Centers that had revenue for every month of the calendar year 2024 and meet our recommended square footage of at least 2,000 square feet as of December 31, 2024 (“**2024 Franchisee-Owned Centers**”), (iii) financial performance information for fiscal year 2024 at 42 of the Company-Owned Centers that had revenue for every month of the calendar year 2024, meet our recommended square footage of at least 2,000 sq ft. and have been in operation for 36 or more months as of December 31, 2024 (“**2024 Mature Company-Owned Centers**”), (iv) financial performance information for fiscal year 2024 at 129 of the Franchisee-Owned Centers that had revenue for every month of the calendar year 2024, meet our recommended square footage of at least 2,000 sq ft. and have been in operation for 36 or more months as of December 31, 2024 (“**2024 Mature Franchisee-Owned Centers**”).

**2024 GROSS REVENUE  
(2024 COMPANY-OWNED CENTERS)**

<b>FYZICAL Centers</b>	<b>Aggregate Gross Revenue<sup>(1)</sup></b>	<b>Average Gross Revenue</b>	<b>Centers that met or exceeded Average Gross Revenue</b>	<b>Median Gross Revenue</b>	<b>Highest Revenue</b>	<b>Lowest Revenue</b>	<b>Average Revenue/ Visit<sup>(2)</sup></b>
2024 Company- Owned Centers	\$44,141,259	\$980,917	19/45 (42%)	\$887,156	\$2,321,464	\$273,466	\$82.02

**2024 GROSS REVENUE  
(2024 FRANCHISEE-OWNED CENTERS)**

<b>FYZICAL Centers</b>	<b>Aggregate Gross Revenue<sup>(1)</sup></b>	<b>Average Gross Revenue</b>	<b>Centers that met or exceeded Average Gross Revenue</b>	<b>Median Gross Revenue</b>	<b>Highest Revenue</b>	<b>Lowest Revenue</b>	<b>Average Revenue/ Visit<sup>(2)</sup></b>
2024 Franchisee- Owned Centers	\$128,745,240	\$604,438	78/213 (37%)	\$450,372	\$3,802,403	\$28,190	\$89.45

**2024 GROSS REVENUE  
(2024 COMPANY-OWNED CENTERS AND 2024 FRANCHISEE-OWNED CENTERS)**

<b>FYZICAL Centers</b>	<b>Aggregate Gross Revenue<sup>(1)</sup></b>	<b>Average Gross Revenue</b>	<b>Centers that met or exceeded Average Gross Revenue</b>	<b>Median Gross Revenue</b>	<b>Highest Revenue</b>	<b>Lowest Revenue</b>	<b>Average Revenue/ Visit<sup>(2)</sup></b>
2024 Company- Owned Centers and 2024 Franchisee- Owned Centers	\$172,886,499	\$670,103	95/258 (37%)	\$507,907	\$3,802,403	\$28,190	\$86.53



**2024 GROSS REVENUE (2024 MATURE COMPANY-OWNED CENTERS)**

<b>FYZICAL Centers</b>	<b>Aggregate Gross Revenue<sup>(1)</sup></b>	<b>Average Gross Revenue</b>	<b>Centers that met or exceeded Average Gross Revenue</b>	<b>Median Gross Revenue</b>	<b>Highest Revenue</b>	<b>Lowest Revenue</b>	<b>Average Revenue/Visit<sup>(2)</sup></b>
2024 Mature Company-Owned Centers	\$42,227,415	\$1,005,415	17/42 (40%)	\$912,047	\$2,321,464	\$273,466	\$82.19

**2024 GROSS REVENUE  
(2024 MATURE FRANCHISEE-OWNED CENTERS)**

<b>FYZICAL Centers</b>	<b>Aggregate Gross Revenue<sup>(1)</sup></b>	<b>Average Gross Revenue</b>	<b>Centers that met or exceeded Average Gross Revenue</b>	<b>Median Gross Revenue</b>	<b>Highest Revenue</b>	<b>Lowest Revenue</b>	<b>Average Revenue/Visit<sup>(2)</sup></b>
2024 Mature Franchisee-Owned Centers	\$101,684,766	\$788,254	45/129 (35%)	\$631,413	\$3,802,403	\$126,138	\$92.35

**2024 GROSS REVENUE  
(2024 MATURE COMPANY-OWNED CENTERS AND 2024 MATURE FRANCHISEE-OWNED CENTERS)**

<b>FYZICAL Centers</b>	<b>Aggregate Gross Revenue<sup>(1)</sup></b>	<b>Average Gross Revenue</b>	<b>Centers that met or exceeded Average Gross Revenue</b>	<b>Median Gross Revenue</b>	<b>Highest Revenue</b>	<b>Lowest Revenue</b>	<b>Average Revenue/Visit<sup>(2)</sup></b>
2024 Mature Company-Owned Centers and 2024 Mature Franchisee-Owned Centers	\$145,826,025	\$838,081	67/174 (39%)	\$680,466	\$3,802,403	\$126,138	\$87.48

**Notes:**

(1) The term “**Gross Revenue**” means all revenue derived from operating a Center, including, but not limited to, all amounts received from any activities or services whatsoever, whether at or away from the Center, including any products or services that are in any way associated with the Marks, and whether from cash, check, barter, debit or credit (regardless of collection in the case of credit), less: (i) promotional

discounts or coupons required by us; (ii) patient refunds, adjustments, credits or allowances made by the Center in good faith and in accordance with our policies; and (iii) all federal, state, or municipal sales, use or service taxes collected from patients and paid to the appropriate taxing authority. Aggregate Gross Revenue is the sum total of all Gross Revenue earned by the applicable Centers.

(2) For the average revenue per visit calculations in the first three tables, we summed the aggregate gross revenues for the Company-Owned Centers and Franchisee-Owned Centers for which we have revenue and visit data for every month in the calendar year 2024, and divided by the total number of visits. Our total cohort for these calculations were 191 total Centers, with 45 of those Centers being 2024 Company-Owned Centers and 146 of those Centers being 2024 Franchisee-Owned Centers. For the average revenue per visit calculation in the last three tables, we summed the aggregate gross revenues for the Company-Owned Centers and Franchisee-Owned Centers that were in operation for 36 months or more months as of December 31, 2024 and for which we have revenue and visit data for every month in the calendar year 2024, and divided by the total number of visits. Our total cohort for these calculations were 116 total Centers, with 42 of them being 2024 Mature Company-Owned Centers and 74 of them being 2024 Mature Franchise Owned Centers.

#### ANNUAL GROSS REVENUE PER FULL TIME EQUIVALENT CLINICIAN

The following chart presents the number of full-time clinical employees or equivalent (“**Equivalent Clinicians**”) that are utilized to provide the services at 2024 Company-Owned Centers. Clinical employee is defined as anyone who treats patients or provides direct patient care. The numbers do not reflect other employees that may be employed at the Center but do not treat patients or provide direct patient care.

#### 2024 GROSS REVENUE PER FULL TIME EQUIVALENT CLINICIAN (2024 COMPANY-OWNED CENTERS)

	Annual Aggregate Gross Revenue <sup>(1)</sup>	Weighted Average Number of Full Time Equivalent Clinician <sup>(2)</sup>	Avg. Gross Revenue Per Full Time Equivalent Clinician <sup>(3)</sup>	Median Gross Revenue Per Full Time Equivalent Clinician	Centers that Met or Exceeded the Average	Highest Gross Revenue Per Full Time Equivalent Clinician	Lowest Gross Revenue Per Full Time Equivalent Clinician
2024 Company-Owned Centers	\$44,141,259	219	\$201,583	\$195,505	19/45(42%)	\$303,373	\$140,830

#### Notes:

(1) Annual Gross Revenue also includes ancillary products and services sold at the Centers in addition to physical therapy.

(2) Weighted average number of full time Equivalent Clinicians is a standard and revenue-weighted average calculation that is used to ensure accuracy and to prevent overstating of Average Gross Revenue per full time Equivalent Clinician. Specifically, this is the sum of the product of each month’s number of full time Equivalent Clinicians and associated revenue, all divided by the sum of revenue for all months.

(3) Average Gross Revenue per full time Equivalent Clinician is calculated by dividing the Annual Gross Revenue by the weighted average number of full time Equivalent Clinicians.

### **PATIENT VISITS / CASES**

The following chart presents the actual number of Patient Visits and Cases for fiscal year 2024 at the 2024 Company-Owned Centers.

“**Patient Visits**” is the total number of patient treatments that were billed and include multiple visits per patient. Thus, a patient who undergoes 10 therapy sessions is listed as 10 Patient Visits.

A “**Case**” refers to an individual treatment plan for an individual patient. Some patients have multiple treatment plans and they may be administered during the same or different time intervals. For example, a rehabilitating knee patient may return for balance therapy during the same overlapping timeline, or a different treatment period.

	Patient Visits	Cases	Patient Visits/Case
2024 Company-Owned Centers	495,921	42,438	11.69

**Notes:**

(1) This table includes visits and case data for our “Orthopedic & Traditional” Physical Therapy Visits. Balance, pelvic and audiology related visits are not included due to their vast differences in lengths for plan of care.

### **SALARY RELATED INFORMATION**

The following chart presents salary information for fiscal year 2024 from all 56 of our Company Owned Centers.

#### **2024 Annual Salaries by Position for all Company Owned Centers<sup>1</sup>**

Title	Average Annual Salary	Median Annual Salary	Hourly Rate	Median Hourly Rate
<b>Physical Therapist (Clinical Director)</b>	\$93,313	\$93,150	\$44.86	\$44.78
<b>Physical Therapist (Staff Therapist)</b>	\$87,853	\$84,456	\$42.24	\$40.60
<b>Physical Therapist Assistant</b>	\$60,866	\$60,030	\$29.26	\$28.86
<b>Physician Liaison</b>	\$50,535	\$50,000	\$24.30	\$24.04

<b>Customer Care Specialist</b>	\$37,645	\$37,128	\$18.10	\$17.85
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**Notes:**

(1) For hourly employees, we annualized their salary by taking their hourly rate and multiplying it by 2,080 (the number of hours worked by a full-time employee). For salary employees, we divided their annual salary by 2,080 to reach an effective hourly rate.

**Some Centers have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.**

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

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Bradley Byars, 1751 Mound Street, Suite 102, Sarasota, Florida 34236 and (941) 444-2209, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**System-Wide Summary Outlet for Years Ending December 31, 2022, 2023, and 2024**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2022	392	444	+52
	2023	444	494	+50
	2024	494	539	+45
Company Owned <sup>(1)</sup>	2022	54	55	+1
	2023	55	60	+5
	2024	60	56	-4
Total Outlets <sup>(2)</sup>	<b>2022</b>	<b>446</b>	<b>499</b>	<b>+53</b>
	<b>2023</b>	<b>499</b>	<b>554</b>	<b>+55</b>
	<b>2024</b>	<b>554</b>	<b>595</b>	<b>+41</b>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (Other Than the Franchisor)**  
**for Years Ending December 31, 2022, 2023, and 2024**

State	Year	Number of Transfers
Colorado	2022	0
	2023	1
	2024	1
Florida	2022	1
	2023	0
	2024	3
Georgia	2022	2
	2023	0
	2024	1
Illinois	2022	5
	2023	0
	2024	1
Indiana	2022	0
	2023	1
	2024	1
Louisiana	2022	0
	2023	3
	2024	2
Maryland	2022	1
	2023	1
	2024	0
Michigan	2022	0
	2023	0
	2024	1
Minnesota	2022	0
	2023	0
	2024	1
New Hampshire	2022	0
	2023	1
	2024	0

State	Year	Number of Transfers
North Carolina	2022	0
	2023	1
	2024	0
Pennsylvania	2022	0
	2023	0
	2024	1
South Carolina	2022	1
	2023	0
	2024	0
Tennessee	2022	1
	2023	0
	2024	0
Texas	2022	2
	2023	1
	2024	2
Utah	2022	0
	2023	0
	2024	0
Total	2022	13
	2023	12
	2024	14

**Table No. 3**  
**Status of Franchised Outlets for Years Ending December 31, 2022, 2023, and 2024**

State	Year	Outlets <sup>(1)</sup> at Start of Year	Outlets <sup>(1)</sup> Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets <sup>(1)</sup> at End of Year
Alabama	2022	12	2	0	0	0	0	14
	2023	14	0	0	0	0	0	14
	2024	14	1	1	0	0	0	14
Alaska	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Arizona	2022	4	4	0	0	0	0	8
	2023	8	4	0	0	0	0	12
	2024	12	4	2	0	0	0	14
Arkansas	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2024	6	1	1	0	0	0	6
California	2022	14	0	2	0	0	0	12
	2023	12	0	1	0	0	0	11

State	Year	Outlets <sup>(1)</sup> at Start of Year	Outlets <sup>(1)</sup> Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets <sup>(1)</sup> at End of Year
	2024	11	0	1	0	0	0	10
Colorado	2022	17	4	1	0	0	0	20
	2023	20	1	0	0	0	0	21
	2024	21	1	2	0	0	0	20
Connecticut	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Delaware	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
District of Columbia	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Florida	2022	54	10	4	0	1	0	59
	2023	59	4	0	0	0	0	63
	2024	63	8	2	0	0	0	69
Georgia	2022	19	7	0	0	1	0	25
	2023	25	7	1	0	0	0	31
	2024	31	10	0	0	0	0	41
Idaho	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Illinois	2022	29	6	2	0	0	0	33
	2023	33	5	8	0	0	0	30
	2024	30	5	2	1	0	0	32
Indiana	2022	9	0	1	0	0	0	8
	2023	8	0	5	0	0	0	3
	2024	3	1	0	0	0	0	4
Iowa	2022	1	1	0	0	0	0	2
	2023	2	0	1	0	0	0	1
	2024	1	0	1	0	0	0	0
Kansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0

State	Year	Outlets <sup>(1)</sup> at Start of Year	Outlets <sup>(1)</sup> Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets <sup>(1)</sup> at End of Year
Kentucky	2022	2	0	0	0	0	0	2
	2023	2	1	1	0	0	0	2
	2024	2	0	0	0	0	0	2
Louisiana	2022	14	2	0	0	0	0	16
	2023	16	1	0	0	0	0	17
	2024	17	0	0	0	0	0	17
Maine	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Maryland	2022	16	0	0	0	0	0	16
	2023	16	3	0	0	0	0	19
	2024	19	3	0	0	0	0	22
Massachusetts	2022	8	0	4	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	1	0	0	0	0	5
Michigan	2022	17	2	0	0	0	0	19
	2023	19	0	1	0	0	0	18
	2024	18	4	0	0	0	0	22
Minnesota	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Mississippi	2022	4	0	0	0	0	0	4
	2023	4	0	1	0	0	0	3
	2024	3	0	1	0	0	0	2
Missouri	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	2	1	0	0	0	5
Nebraska	2022	13	0	2	0	0	0	11
	2023	11	1	0	0	0	0	12
	2024	12	0	0	0	0	0	12
Nevada	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	3	0	0	0	0	3
	2022	1	1	0	0	0	0	2



State	Year	Outlets <sup>(1)</sup> at Start of Year	Outlets <sup>(1)</sup> Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets <sup>(1)</sup> at End of Year
New Hampshire	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	6	3	0	0	0	0	9
	2023	9	4	1	0	0	0	12
	2024	12	4	1	0	0	0	15
New Mexico	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
New York	2022	19	3	1	0	0	0	21
	2023	21	0	0	0	0	0	21
	2024	21	0	0	0	0	0	21
North Carolina	2022	9	7	1	0	0	0	15
	2023	15	5	0	0	0	0	20
	2024	20	4	1	0	0	0	23
North Dakota	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	0	0	0	0	0	4
Ohio	2022	9	4	1	0	0	0	12
	2023	12	4	0	0	0	1 <sup>1</sup>	15
	2024	15	2	3	0	0	0	14
Oklahoma	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Oregon	2022	5	1	0	0	0	0	6
	2023	6	2	0	0	0	0	8
	2024	8	2	1	0	0	0	9
Pennsylvania	2022	15	4	1	0	0	0	18
	2023	18	3	0	0	0	0	21
	2024	21	2	0	0	0	0	23
South Carolina	2022	4	1	0	0	0	0	5
	2023	5	2	0	0	0	0	7
	2024	7	2	0	0	0	0	9
	2022	1	0	0	0	0	0	1

State	Year	Outlets <sup>(1)</sup> at Start of Year	Outlets <sup>(1)</sup> Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets <sup>(1)</sup> at End of Year
South Dakota	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Tennessee	2022	7	0	3	0	0	0	4
	2023	4	2	0	0	0	0	6
	2024	6	1	2	0	0	0	5
Texas	2022	31	14	2	0	0	0	43
	2023	43	16	0	0	0	0	59
	2024	59	14	5	0	0	0	68
Utah	2022	10	0	1	0	0	0	9
	2023	9	0	0	0	5	0	4
	2024	4	1	0	0	0	0	5
Vermont	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	1
Virginia	2022	6	2	0	0	0	0	8
	2023	8	3	0	0	0	0	11
	2023	11	1	1	0	0	0	11
Washington	2022	5	1	0	0	0	0	6
	2023	6	2	0	0	0	0	8
	2024	8	1	1	0	0	0	8
West Virginia	2022	3	0	3	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
Wisconsin	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Wyoming	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
	2024	6	0	4	0	0	0	2
<b>Totals</b>	<b>2022</b>	<b>392</b>	<b>83</b>	<b>29</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>444</b>
	<b>2023</b>	<b>444</b>	<b>76</b>	<b>20</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>494</b>
	<b>2024</b>	<b>494</b>	<b>81</b>	<b>35</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>539</b>

**Table No. 4**  
**Status of Company-Owned Outlets <sup>(1)</sup>**  
**For Years Ending December 31, 2022, 2023 and 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Colorado	2022	7	0	0	1	0	6
	2023	6	0	0	0	0	6
	2024	6	0	0	0	0	6
Connecticut	2022	3	0	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Florida	2022	21	3	2	0	1	25
	2023	25	0	0	0	0	25
	2024	25	0	0	3	0	22
Georgia	2022	2	0	1	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	1	2
Massachusetts	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Michigan	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Nevada	2022	5	0	0	0	0	5
	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
North Carolina	2022	5	0	0	2	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Oklahoma	2022	2	1	0	0	0	3
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
South Carolina	2022	2	0	0	0	0	2
	2023	2	0	0	0	0	2
	2024	2	0	0	0	0	2
South Dakota	2022	4	0	0	1	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
Utah	2022	0	0	0	0	0	0
	2023	0	0	5	0	0	5
	2024	5	0	0	0	0	5
Washington	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
<b>Totals</b>	<b>2022</b>	<b>54</b>	<b>4</b>	<b>3</b>	<b>4</b>	<b>2</b>	<b>55</b>
	<b>2023</b>	<b>55</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>60</b>
	<b>2024</b>	<b>60</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>1</b>	<b>56</b>

**Table No. 5**  
**Projected Openings as of December 31, 2024**

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2025)	Projected New Company-Owned Outlets in the Next Fiscal Year (2025)
Alabama	4	1	0
Arizona	13	4	0
Arkansas	1	1	0
California	0	0	0
Colorado	6	0	0
Connecticut	13	5	0
Delaware	5	4	0
Florida	26	2	0
Georgia	23	5	0
Idaho	1	1	0
Illinois	8	4	0
Indiana	5	1	0
Iowa	0	0	0
Kentucky	3	1	0
Louisiana	7	2	0
Maine	2	1	0
Maryland	11	2	0
Massachusetts	15	4	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year (2025)	Projected New Company-Owned Outlets in the Next Fiscal Year (2025)
Michigan	7	2	0
Minnesota	6	2	0
Mississippi	0	0	0
Missouri	7	2	0
Nebraska	0	0	0
Nevada	3	2	0
New Hampshire	2	1	0
New Jersey	23	5	0
New Mexico	1	0	0
New York	3	1	0
North Carolina	29	4	0
Ohio	17	1	0
Oklahoma	0	0	0
Oregon	4	3	0
Pennsylvania	14	4	0
South Carolina	6	2	0
Tennessee	0	0	0
Texas	44	6	0
Utah	5	1	0
Vermont	0	0	0
Virginia	10	1	0
Washington	3	0	0
Wisconsin	0	0	0
<b>Total</b>	<b>327</b>	<b>70</b>	<b>0</b>

#### **NOTES TO TABLES 1 to 5:**

(1) We do not own or operate any Centers. The 56 Centers owned by our affiliates are considered “company-owned” for the purposes of this Item 20.

(2) Outlets refer to the number of open Centers.

The name, address and telephone number of each current franchisee as of the date of this disclosure document are listed in Exhibit “I.”

The name, city and state, and the current business telephone number (or, if unknown, the last known home telephone number) of the franchisees who, (a) in our most recent full fiscal year: (i) had an outlet terminated, cancelled, or not renewed; or (ii) otherwise voluntarily or involuntarily ceased to do business

under the Franchise Agreement, as applicable; or (b) who has not communicated with us within 10 weeks of the issuance date of this disclosure document, is listed in Exhibit “J”:

We are not offering any existing franchised outlets to prospective franchisees, including those that either have been reacquired by us or are still being operated by current franchisees pending a transfer. If we begin to offer any such outlet, specific information about the outlet will be provided to you in a separate supplement to this disclosure document.

During the last 4 fiscal years, some franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the FYZICAL® franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

There are no (i) trademark-specific franchisee organizations associated with the franchise system being offered that we have created, sponsored or endorsed; or (ii) independent franchisee organizations that have asked to be included in this disclosure document.

## **ITEM 21 FINANCIAL STATEMENTS**

Our audited financial statements for the periods ended December 31, 2024, December 31, 2023, and December 31, 2022, are attached to this disclosure document as Exhibit “B”. Our unaudited balance sheet and income statement issued as of February 28, 2025, are also attached as Exhibit “B”. Our financial year ends on December 31. We have adopted the provisions of FASB ASC Topic 606 and our accountant used the modified retrospective method in determining the revenue recognition under the current standards.

## **ITEM 22 CONTRACTS**

Attached to this disclosure document (or the Franchise Agreement attached to this disclosure document) are copies of the following franchise and other contracts or agreements proposed for use or in use in this state:

### **Exhibits to Disclosure Document**

Exhibit “A”	Franchise Agreement
Exhibit “C”	Development Rights Rider to Franchise Agreement
Exhibit “D”	Conversion Addendum to Franchise Agreement
Exhibit “G”	State Specific Addenda and Riders
Exhibit “H”	General Release
Exhibit “K”	Form of Promissory Note, Security Agreement and UCC-1 Financing Statement

## **ITEM 23 RECEIPTS**

Exhibit “L” to this disclosure document are detachable receipts. You are to sign both, keep one copy and return the other copy to us.

**EXHIBIT A TO THE DISCLOSURE DOCUMENT**

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**FRANCHISE AGREEMENT**

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**FYZICAL, LLC**  
**FRANCHISE AGREEMENT**



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**FYZICAL, LLC**  
**FRANCHISE AGREEMENT**

This Franchise Agreement (this “**Agreement**”) is entered into as of \_\_\_\_\_ (the “**Effective Date**”), regardless of the actual date of signature, between **FYZICAL, LLC**, a Delaware limited liability company having its principal business address at 1751 Mound Street, Suite 102, Sarasota, Florida 34236 (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”).

**1. DEFINITIONS**

Capitalized terms used in this Agreement are defined either in the body of this Agreement or in ATTACHMENT "A". For capitalized terms that are defined in the body of this Agreement, ATTACHMENT "A" lists the Sections of this Agreement in which such terms are defined.

**2. GRANT OF FRANCHISE**

We hereby grant you a license to own and operate a FYZICAL® rehabilitation center (your “**Center**” or “**FYZICAL® Center**”) using our Intellectual Property from a single location that we approve (your “**Approved Location**”), and at no other location (temporary or permanent). The Approved Location is described in ATTACHMENT “C” to this Agreement. If the Approved Location has not been determined at the time you sign this Agreement, it will be determined in accordance with Section 7.1 and the address of the Center will then be inserted in ATTACHMENT “C.”

If you will develop a totally new wellness center, your FYZICAL® Center will also be referred to as a “**New Center**”. If you will add a FYZICAL® Center to an MD practice or other medical facility, your Center will also be referred to as an “**MD Affiliate Center**”. If you will convert an existing wellness center to a FYZICAL® Center your Center may also be referred to as a “**Conversion Center**”. ATTACHMENT “C” describes the type of FYZICAL® Center you will own and operate.

You agree that your Center will, at all times, have qualified physical therapists licensed under applicable law (referred to as a “**Licensed Professional**”). You (if you are a Licensed Professional) or other Licensed Professionals engaged by you will be involved in the operations of your Center in accordance with your state’s laws and regulations, your Franchise Agreement, and the Manuals.

**3. TERRITORIAL RIGHTS**

**3.1 Protected Area.** The “**Protected Area**” shall be a geographical territory comprising of a radius around your Center that encompasses a population of approximately 40,000 people that we identify in ATTACHMENT “C” to this Agreement. During the Term, as long as you are in compliance with this Agreement, including the Minimum Performance Standards set forth in Section 3.3, we and our affiliates will not operate, or grant a franchise to anyone else to operate, a FYZICAL® Center at a fixed or permanent location inside the Protected Area, subject to the limitations described in Section 3.2 below. You acknowledge and agree that other FYZICAL® centers may solicit and service customers located within the Protected Area. The Protected Area may not be modified or amended except in a writing signed by us and specifically identified as an amendment to this Agreement.

**3.2 Reserved Rights.** Your territorial rights are granted in Section 3.1 above. We (and our affiliates) reserve all rights not expressly granted to you including, without limitation, the right to:

(a) Establish and operate, and grant franchises to others to establish and operate, FYZICAL® Centers anywhere outside the Protected Area, on such terms and conditions as we deem appropriate (even immediately outside the border of the Protected Area);

(b) Establish and operate, and grant franchises to others to establish and operate, businesses of any kind whatsoever, whether located within or outside the Protected Area, that do not use the Marks;

(c) Subject to your right of first refusal described in Section 3.5 below, and except for physical therapy and rehabilitation centers providing the same services as FYZICAL® Centers, establish and operate, and grant franchises to others to establish and operate, anywhere (including within the Protected Area) businesses providing health-care or wellness related services under the Marks;

(d) Sell or license others to sell competitive or identical goods or services (whether under the Marks or under different trademarks) through Alternative Channels of Distribution. An “**Alternative Channel of Distribution**” means any channel of distribution other than retail sales made to clients from a FYZICAL® Center within the Protected Area, including, but not limited to: (i) sales through direct marketing, such as over the internet or through catalogs or telemarketing; (ii) sales through retail stores that do not operate under the Marks; and (iii) sales made at wholesale;

(e) Either (i) be acquired, directly or indirectly, whether in whole or in part, including by asset or stock purchase, change of control, merger, affiliation or otherwise, by a competitive or non-competitive company, franchise system, network or chain; or (ii) acquire, directly or indirectly, another competitive or non-competitive company, franchise system, network or chain, whether in whole or in part, including by asset purchase, change of control, merger, affiliation or otherwise (an “**Acquisition**”). If we acquire, or are acquired by, another business or chain that sells competitive or noncompetitive goods or services, those centers or outlets may be converted into FYZICAL® Center franchises operating under the Marks if such centers or outlets are located outside the Protected Area. We will not allow any centers or outlets to operate under the Marks within your Protected Area. Any such acquired or converted centers or outlets will not be taken into account in the franchise calculation described in Section 3.1 above; and/or

(f) Engage in any other activity, action or undertaking that we are not expressly prohibited from taking under this Agreement.

**3.3 Minimum Performance Standards.** Commencing with the second year of operations, you agree to meet the following minimum performance levels (the “**Minimum Performance Standards**”) each year during the Term to retain the Protected Area:

<b>Time Period</b>	<b>Minimum Annual Gross Revenue (Non-Cumulative)</b>
Year 1	Not Applicable
Year 2	\$100,000
Year 3	\$200,000
Year 4	\$300,000
Year 5 and thereafter	\$400,000

For purposes of measuring your compliance with the Minimum Performance Standards, the first year begins on the earlier to occur of (i) the actual opening date of your Center or (ii) 270 days from the Effective Date of this Agreement (the “**Opening Date**”) and ends on the first anniversary thereof. Each subsequent year runs for a 12-month period from the prior anniversary of the Opening Date. If you fail to achieve the Minimum Performance Standards, then we may, at our option, effective 30 days after we deliver written notice to you: (a) terminate your Protected Area; or (b) reduce the scope of the geographic area comprising the Protected Area. If we terminate your rights to the Protected Area or reduce the scope of the Protected Area, you may continue to operate your Center, but we may establish and operate, or allow others to establish and operate, FYZICAL® Centers in your former Protected Area or former portion(s) of the Protected Area, as the case may be.

**3.4 National Accounts.** You agree to participate in any National Accounts programs that we establish from time to time. A “**National Account**” is a customer that we designate for

participation in any National Accounts program, as outlined in the Manuals, that operates under common ownership or control, under the same trademarks or service marks through independent franchises or some other association, at multiple locations, or who we otherwise consider as a customer or potential customer for FYZICAL® Centers in multiple geographic areas. The locations of some of the National Accounts may be in your Protected Area. You will receive compensation for your participation in such programs, as set forth in the Manuals or otherwise.

**3.5 Right of First Refusal.** If we or our affiliate operate or grant franchises for the operation of healthcare or wellness-related business(es) offering products or services under the Marks that involves the location of a physical outlet within your Protected Area (a “**Territory Opportunity**”), we will provide you with a right of first refusal for such Territory Opportunity on the following terms:

(a) We will provide you with written notice of a Territory Opportunity expected to be physically located within your Protected Area. You will have 60 days to advise us in writing that you wish to participate in the Territory Opportunity.

(b) If you do not notify us within such period, then we may pursue such Territory Opportunity and/or grant any other person or entity the right to participate in such Territory Opportunity without any liability to you.

(c) If you timely notify us in writing that you wish to participate in the Territory Opportunity, then we may condition your participation on compliance with such terms and conditions as we consider appropriate to the particular Territory Opportunity, including: (i) execution of such franchise agreement and related agreements as are then generally used by us in connection with the award of the applicable Territory Opportunity; (ii) timely payment of all initial fees and any other fees charged by us or our affiliate in connection with the award or grant of the applicable Territory Opportunity; and (iii) meeting our then-current eligibility requirements applied by us to candidates for such Territory Opportunity.

## **4. TERM AND RENEWAL**

**4.1 Generally.** The term of this Agreement will begin on the Effective Date and expire 10 years thereafter (the “**Term**”), unless terminated sooner in accordance with Section 20. If this Agreement is the initial franchise agreement for your Center, you may enter into a maximum of 2 consecutive successor franchise agreements (each a “**Successor Agreement**”) as long as you meet the conditions for renewal specified below. You agree to fulfill your obligations and exert your best efforts to do so, for the full Term. The Successor Agreement shall be the then-current form of franchise agreement that we use in granting FYZICAL® Center franchises as of the expiration of the Term or renewal term, as applicable. The terms and conditions of the Successor Agreement, including, without limitation, the fees payable under it, may vary materially and substantially from the terms and conditions of this Agreement. The renewal terms will be 10 years each. You will have no further right to operate your Center following the expiration of the final renewal term, unless we grant you another franchise in our sole discretion. If this Agreement is a Successor Agreement, the renewal provisions in your original franchise agreement will dictate the length of the Term as well as your remaining renewal rights, if any.

**4.2 Renewal Requirements.** In order to enter into a Successor Agreement, you and the Owners (as applicable) agree to: (a) notify us in writing of your desire to enter into a Successor Agreement not less than 90 days nor more than 180 days before the expiration of the Term; (b) not be in default under this Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Agreement; (c) sign the Successor Agreement and all ancillary documents that we require franchisees to sign; (d) pay a successor franchise fee in an amount equal to 10% of the then-current initial franchise fee (“**Successor**

**Franchise Fee**”) at the time you sign the Successor Agreement; (e) sign a General Release; (f) remodel your Center to comply with our then-current standards and specifications; (g) have the right under your lease to maintain possession of the Approved Location throughout the entire duration of the renewal term; and (h) take any other additional action that we reasonably require.

## **5. TRAINING AND CONFERENCES**

- 5.1 Initial Training Program.** You agree your Operating Principal (or the franchisee, if there is no designated Operating Principal) will attend and successfully complete our pre-lab courses and orientation program not later than 90 days from the Effective Date of this Agreement, and complete our lab program at least 60 days prior to the opening of your Center, unless we otherwise agree in writing. We also require that you (and your Client Care Specialist) attend and complete a virtual administrative training track program to our satisfaction at least 30 days prior to the opening of your Center, and that you comply with a 90-Day Post-Open Success program after the opening of your Center. Otherwise, attendance by your employees is optional; however, you are solely responsible for training all of your employees and ensuring they are fully trained to perform their duties. We do not charge a fee for providing the initial training to your attendees, but you are responsible for all travel and living expenses incurred by your attendees in accordance with Section 5.5 below. Notwithstanding anything to the contrary in this Agreement, you agree to pay us an initial training fee that shall not exceed \$1,500 per person for training your replacement Operating Principal.
- 5.2 Periodic Training.** From time to time, we may offer refresher or additional training courses for you, your Operating Principal, Clinical Director and/or Licensed Professionals. Attendance at these training programs is mandatory, unless we otherwise agree in writing. We reserve the right to charge a reasonable fee not to exceed \$1,500 for each person who attends any refresher or additional training program. This fee is due immediately before training begins. You will be responsible for all travel and living expenses for your trainees as provided in Section 5.5 below. If you request additional or special training for your employees, all of the expenses that we incur in connection with such training, including then-current per diem charges and travel and living expenses incurred by our training personnel, will be your responsibility.
- 5.3 On-Site Training.** Notwithstanding anything to the contrary in this Agreement, if we agree, at our option and subject to the availability of our training personnel, to provide any on-site training at your Center, you agree to pay us a reasonable fee, in an amount to be mutually agreed upon, for each of our personnel providing such on-site training and to reimburse us for all reasonable travel, meals, lodging and other expenses that we incur in providing the on-site training. These amounts are due 10 days after invoicing.
- 5.4 Conferences.** We may hold periodic national or regional conferences, including an annual conference (up to 2 days in duration), to discuss various business issues and operational and general business concerns affecting FYZICAL® Centers. Attendance at these conferences may be optional or mandatory, as we determine in our sole discretion, but we will not require attendance at more than 1 mandatory conference during any 12-month period. We will not charge any registration fees for Owners to attend our annual conference(s) but you will be responsible for all travel and living expenses for your trainees as provided in Section 5.5 below.
- 5.5 Expenses.** You are responsible for all food, lodging and travel costs that your Owners, managers and/or employees incur while attending any training program or conference.
- 5.6 Online Training.** Notwithstanding anything to the contrary, for any training program or national or regional conferences that we conduct, we may, in our discretion, supplement or replace in-person training with live or recorded online training modules.



## 6. OTHER FRANCHISOR ASSISTANCE.

- 6.1 Training.** We will provide the training described in Section 5 of this Agreement.
- 6.2 Manuals.** During the Term, we will provide you access (which may be electronic) to our confidential operating manuals (collectively, the “**Manuals**”), which will contain mandatory system standards that we periodically prescribe for developing and operating the FYZICAL® Centers (“**System Standards**”), information on suggested and mandatory procedures, and your other obligations under this Agreement. The Manuals will help you establish and operate your Center. The information in the Manuals is confidential and proprietary and may not be disclosed to third parties without our prior written approval.
- 6.3 Software.** It may be beneficial for us to obtain software to assist in the operation of FYZICAL® Centers. If we do so, we also may license or sublicense such software or technology to you (the “**Software**”) pursuant to a license agreement we specify. In that case, you agree to pay us initial and ongoing software licensing and/or support fees in the amount that we designate from time to time, as prescribed in our Manuals. Software is confidential and remains our property. As of the Effective Date we do not provide the service and thus do not charge such fees.
- 6.4 Additional Assistance Upon Request.** Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. If we agree to provide the additional assistance or training, you agree to pay our standard fees. If we provide additional assistance or training at your Center, you agree to also reimburse us for all costs that we incur for food, lodging and travel. The additional assistance fee and any expense reimbursement, if applicable, are due 10 days after invoicing.
- 6.5 General Guidance.** Based upon periodic inspections of your Center, as conducted by us in our sole discretion, or reports that you submit to us, we will provide our guidance and recommendations on ways to improve the marketing and/or operation of your Center.
- 6.6 Website.** Due to the importance of maintaining a uniform presence on the internet, we will maintain a Website for the FYZICAL® Center system that will include the information about your Center as we deem appropriate. We may modify the content of and/or discontinue the Website at any time in our sole discretion.
- 6.7 Purchase Agreements.** We may, but need not, negotiate purchase agreements with suppliers to obtain discounted prices for us and FYZICAL® Center franchisees. We may receive compensation from suppliers for our procurement and purchasing services. We may also purchase certain items from suppliers in bulk and resell them to you at our cost plus shipping fees and a reasonable markup.
- 6.8 Discount Purchases.** It may be beneficial to acquire inventory in bulk for cost savings and quality control. Thus, we may purchase in bulk certain inventory and either resell those items to, or have suppliers sell direct to, you and other FYZICAL® Center franchisees at discounted prices that we negotiate (subject to any rebates the suppliers pay to us for our purchasing and sourcing services). We make no representations or warranties (and specifically disclaim all warranties including the implied warranty of merchantability or fitness for a particular purpose) and shall have no liability to you with respect to the items that you purchase from us. Payments for these goods will be due at the time the order is placed. You are responsible for all shipping and handling costs.
- 6.9 Private Label Goods.** If we develop private label products for sale at your Center, you agree to maintain a reasonable inventory of these items at your Center at all times.

- 6.10 Telephone; E-mail; Call Center Services.** For brand consistency and uniform and efficient customer service, we may control all telephone numbers and e-mail addresses used in the operation of your Center. We may assign or designate telephone number(s) and e-mail address(es) that you agree to use in the operation of your Center and charge you a reasonable fee to cover the cost of such telephone number(s) and e-mail address(es). We may also institute a “1-800” or centralized telephone number and/or call center services for all FYZICAL® Centers and require you to pay us or our designee associated support fees, in the amount designated by us from time to time. As of the Effective Date, we do not provide the service and thus do not charge any fee for it; however, we reserve the right to do so upon 30 days’ prior written notice to you.

## **7. ESTABLISHING YOUR Center**

- 7.1 Selection of Approved Location.** If as of the Effective Date, you have not obtained our prior written approval of your Approved Location, then you will, following the Effective Date, identify the Approved Location within the geographic boundaries of the territory (the “**Search Area**”) described in ATTACHMENT “B” to this Agreement and seek our written approval of such Approved Location. You acknowledge and agree that we are identifying the Search Area for the sole purpose of facilitating orderly development of the market and that the Search Area is not an exclusive or protected territory surrounding your Center. The Search Area may not be modified or amended except in a writing signed by us and specifically identified as an amendment to this Agreement. Once the Approved Location is identified, it will be inserted in ATTACHMENT “C” to this Agreement. You agree the Approved Location will conform to our then-current minimum site selection criteria for demographic characteristics, traffic patterns, parking, signage, character of neighborhood, competition from and proximity to other businesses, the size, appearance and other physical characteristics of the proposed site, and any other factors or characteristics that we consider appropriate. Our criteria, and our evaluation of them, may vary periodically and from location to location. You agree to send us a complete site report (containing the demographic, commercial and other information, photographs and video recordings that we may reasonably require) for your proposed site. We have the right to accept or reject all proposed sites for your Center in our commercially reasonable judgment. We will use our best efforts to approve or disapprove a proposed site within 15 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 15-day period. You understand that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for a FYZICAL® Center. Our approval of the site indicates only that we believe the site meets our minimum criteria. You may not operate your Center from any location other than the site that we have approved.
- 7.2 Lease.** You agree to deliver copies of the proposed lease agreement and related documents to us prior to signing them. You agree not to sign any lease agreement or related documents (or any renewal of them) unless we have approved them. Our approval, which will not be unreasonably withheld, will be limited to ensuring that the lease and related documents are consistent with this Agreement and our standards and specifications for FYZICAL® Centers. You agree to promptly send us a copy of your fully executed lease for our records (no later than 5 days after their execution). If you and we are unable to agree on a site for your Center, or you have not obtained a fully signed lease agreement for the premises, within 120 days of the Effective Date, we may terminate this Agreement.

The lease for your Center must provide for certain provisions that we require as described in our then-current form of our standard Lease Addendum. A copy of our current form is attached hereto as ATTACHMENT “I”. It is your sole responsibility to obtain a fully executed Lease Addendum in connection with executing lease for your Center. If you or the landlord request that we consider any modifications to the Lease Addendum, and we elect to do so,

we may also require you to reimburse us all expenses that we incur (including attorneys' fees) in connection with such review. We may also reject any request for modifications to the lease addendum for any reason.

**7.3 Construction.** After you purchase or sign the lease for your premises, you agree, at your sole expense, to construct and equip the premises to the specifications contained in the Manuals and purchase (or lease) and install the equipment, fixtures, signs and other items that we require. We reserve the right to approve the architects, contractors and other suppliers you use to construct your Center. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill we have developed, and the value of the franchise. Before you open, we must approve the layout of your Center.

**7.4 Opening.** You agree to open your Center to the public within 270 days from the Effective Date. Unless we otherwise agree in writing, you may not open your Center before: (i) successful completion of our pre-lab courses and orientation program by your Operating Principal (or you, if there is no Operating Principal) in accordance with Section 5.1; (ii) you purchase all required insurance; (iii) you obtain all required licenses, permits and other governmental approvals; and (iv) we provide our written approval of the construction, build-out and layout of your Center. You agree to notify us in writing within 48 hours after your Center obtains all necessary licenses and registrations to provide physical therapy services and provide us with copies of such licenses and/or registrations. You agree to send us a written notice identifying your proposed opening date at least 30 days before opening. We may conduct a pre-opening inspection of your Center and you agree to make any changes we require before opening. **TIME IS OF THE ESSENCE. BY VIRTUE OF OPENING YOUR CENTER, YOU ACKNOWLEDGE THAT WE HAVE FULFILLED ALL OF OUR PRE-OPENING OBLIGATIONS TO YOU.**

**7.5 Relocation.** You may relocate your Center with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate, you agree to: (a) comply with Sections 7.1 through Section 7.3 of this Agreement with respect to your new Center; (b) open your Center for business at the new Approved Location within 10 days following the closure of your Center at the former Approved Location; and (c) continue to pay us Royalties and any other recurring fees during any period that your Center is closed for relocation. You agree to reimburse us for any costs and expenses that we incur in connection with the relocation of your Center. These amounts will be due upon receipt of our invoice.

## **8. MANAGEMENT.**

**8.1 Operating Principal(s).** You acknowledge and agree that a major requirement for the success of your Center is the active, continuing, and substantial personal involvement and on-premises supervision of the Center. You agree that your Center will, at all times, have Licensed Professionals qualified under the laws of your state to perform and provide the services offered at your Center. Accordingly, you shall conform your conduct and business operations to the foregoing standard. If an Entity or more than one natural person is the franchisee under this Agreement, then you shall designate one or more of your Owners or principal officers, acceptable to us (individually or collectively, the "**Operating Principal**"). Unless otherwise approved by us in writing, the Operating Principal must directly supervise and be responsible for the day-to-day management and proper operation of the Center in all respects whatsoever. You agree that the Operating Principal has the authority to bind you regarding all operational decisions with respect to the Center. Your Operating Principal and any Licensed Professionals engaged by you who will be involved in the operations of the Center agree to comply with all applicable federal and state laws and regulations. You agree your Operating Principal (or the franchisee, if there is no designated Operating Principal) will attend and successfully complete our pre-lab courses and orientation program not later than 90 days from the Effective Date of this Agreement, and complete our lab program at least 60 days prior to the opening of your Center. In the event you

replace your Operating Principal, such replacement Operating Principal must complete our pre-lab courses, orientation program and lab program (as described in Section 5.1) before managing your Center. Your Clinical Director, Licensed Professionals and other employees or representatives who have access to our trade secrets and other confidential information will execute a Noncompetition Agreement before having access to said operational systems, trade secrets, and other confidential information. You, your Clinical Director, Licensed Professionals and other employees and representatives also agree to executed a Media Release Consent Form in the form attached hereto as ATTACHMENT “K”.

**8.2 Clinical Director.** If you (or your Operating Principal) will not be actively supervising and managing the Center or if you (or your Operating Principal) do not qualify as a Licensed Professional, then you agree to recruit and hire a “**Clinical Director**”. You agree that the Clinical Director will: (i) be a Licensed Professional; (ii) have a sufficient amount of experience (in terms of duration, operational responsibilities, previous training, etc.) as a general manager or in a similar supervisory position to demonstrate that he or she is capable of managing a FYZICAL® Center on a full-time ongoing basis; (iii) have management responsibility and authority over the day-to-day operations of the Center; (iv) be actively employed by you or the Entity on a full-time basis to manage the Center’s operations; (v) be bound by our then-current form of confidentiality and non-competition agreement (or other contract in form and substance satisfactory to us); and (vi) have satisfactorily completed our initial training program and any other training programs we require from time to time.

**8.3 Employees.** You are solely responsible for hiring, training, and supervising honest, reliable, competent and courteous employees for the operation of your Center. You agree to pay all wages, commissions, fringe benefits, worker’s compensation premiums and payroll taxes (and other withholdings required by law) due for your employees. These employees will be employees of yours and not of ours. You agree to ensure that a sufficient number of trained employees are available to meet the operational standards and requirements of your Center at all times. You may give your employees only the minimum amount of information and material from the Manuals that is necessary to enable them to perform their assigned tasks. You agree to ensure that your employees do not make or retain any copies of the Manuals or any portion of the Manuals. We do not control the day-to-day activities of your employees or the manner in which they perform their assigned tasks. We also do not control the hiring or firing of your employees. You are solely responsible for training all of your employees and ensuring they are fully trained to perform their duties. We do not require your employees to attend our training programs.

## **9. FRANCHISEE AS ENTITY.**

If you are an Entity, the Statement of Ownership Interest in the form attached as ATTACHMENT “D” to this Agreement will completely and accurately describe all your Owners and their interests in the Entity. You and your Owners agree to deliver to us the revised Statement of Ownership Interest as may be necessary to reflect any ownership changes during the Term (no ownership changes may be made without our prior approval). All Owners are jointly and severally responsible for the Entity’s performance of this Agreement and bound by all of the terms of this Agreement. Upon our request, you agree to provide us with a resolution of the Entity authorizing the execution of this Agreement, a copy of the Entity’s organizational documents and a current Certificate of Good Standing (or the functional equivalent thereof), and such other information as we may request. You represent that the Entity is duly formed and validly existing under the laws of the state of its formation or incorporation.

## **10. GUARANTY.**

If you are an Entity, all Owners (whether direct or indirect) agree jointly and severally guarantee the Entity’s performance of this Agreement and shall bind themselves to the terms of this Agreement by signing our

standard Owners' Guaranty, the current form of which is attached as ATTACHMENT "E." We will also require the spouse of each owner to consent to his/her marital property be bound by the guaranty.

## **11. ADVERTISING & MARKETING.**

### **11.1 Grand Opening Marketing Fund.**

(a) **Payment of Grand Opening Marketing Fund.** You agree to pay the amount set forth on ATTACHMENT "L" (the "**Grand Opening Marketing Fund**") to be used for the initial advertising, marketing and public relations programs and materials that we deem necessary or appropriate, in our sole discretion, in connection with the opening of your Center and for the first five months after your Center's Opening Date. Your Grand Opening Marketing Fund will be such amount as determined by us, and is expected to be at least \$5,000 but will not exceed \$18,000. We will electronically debit the amount of your Grand Opening Marketing Fund from your checking account 60 days prior to the date your Center opens for business, and intend to start implementing such advertising/marketing starting 30 days from the date your Center opens for business. We reserve the right to defer or reduce the Grand Opening Marketing Fund for any FYZICAL® Center. If there are unspent monies in your Grand Opening Marketing Fund after your Center has been open for five months, we will distribute the unspent monies to you (within 30 days after the expiration of such five-month period).

(b) **Use of the Grand Opening Marketing Fund.** We will direct all programs financed by your Grand Opening Marketing Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that your Grand Opening Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, market research and other advertising, promotion and marketing activities. Your Grand Opening Marketing Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

(c) **Accounting for the Grand Opening Marketing Fund.** Your Grand Opening Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses. All interest earned on monies contributed to your Grand Opening Marketing Fund will be used to pay advertising costs before other assets of your Grand Opening Marketing Fund are expended. We will prepare a statement, which need not be audited, of monies collected and costs incurred by your Grand Opening Marketing Fund and furnish the statement to you within five months after your Center's Opening Date.

(d) **Grand Opening Marketing Fund Limitations.** You acknowledge that your Grand Opening Marketing Fund is intended to maximize recognition of the Marks and patronage of your Center. Although we will endeavor to utilize your Grand Opening Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit your Center, we undertake no obligation to ensure that your Center will benefit directly from the development of advertising and marketing materials or the placement of advertising. The Grand Opening Marketing Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct or administer your Grand Opening Marketing Fund or for any other reason. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, your Grand Opening Marketing Fund.

(e) **CRM System.** As part of your required participation in the Grand Opening Marketing Fund, you agree to utilize our current preferred field marketing client relationship management (CRM) system to manage and track your referral outreach activity. The cost of the CRM system is included in your Grand Opening Marketing Fund contribution for the first year. Should you choose to continue using the system beyond that time,

all associated fees and costs will be your sole responsibility. Your use of the CRM system is mandatory during your Grand Opening Marketing Period, which spans from thirty (30) days prior to your Center's official opening through the end of your Center's fifth full month of operations. Within the first 30 days before your Clinic opens, you must complete and document at least 150 referral visits across a minimum of 75 distinct facilities, ensuring that each facility is visited twice during this period. All outreach activity must be accurately recorded in the CRM system to verify compliance. Failure to meet this requirement may delay your Center's eligibility to open and/or participate in corporate marketing programs. Following your Center's opening, you are required to continue outreach at a cadence of at least one visit per month to each of the 75 facilities for the remainder of your Clinic's first calendar year in operation.

## **11.2 Marketing Fund.**

(a) **Establishment of Marketing Fund.** You must participate in any fund that we establish (the "**Marketing Fund**") for such advertising, marketing and public relations programs and materials that we deem necessary or appropriate, in our sole discretion. The Marketing Fund Contributions are payable weekly or as otherwise prescribed by us in the Manual. We may require you to pay the Marketing Fund Contributions via automatic debit from your checking account. We reserve the right to defer or reduce contributions of any FYZICAL® Center. We may upon 30 days' prior written notice to you, reduce or suspend contributions to and operations of the Marketing Fund for any duration and to terminate (and, if terminated, to reinstate) the Marketing Fund. If the Marketing Fund is terminated, we may in our sole discretion either utilize all the unspent monies on the date of termination in accordance with this Section 11.1 or distribute the unspent monies to our franchisees in proportion to their respective contributions to the Marketing Fund during the preceding 12 calendar months. We and our affiliates will contribute to the Marketing Fund on the same basis as franchise owners for any FYZICAL® Centers we or they own and operate.

(b) **Use of the Marketing Fund.** We direct all programs financed by the Marketing Fund, with sole discretion over the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the Marketing Fund may be used to pay the costs of preparing and producing video, audio and written advertising materials; administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising and employing advertising, promotion and marketing agencies; marketing and advertising training programs and materials; and supporting public relations, market research and other advertising, promotion and marketing activities. The Marketing Fund periodically will furnish you with samples of advertising, marketing and promotional formats and materials at no cost. Multiple copies of such materials will be furnished to you at our direct cost of producing them, plus any related shipping, handling and storage charges.

(c) **Accounting for the Marketing Fund.** The Marketing Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead, including rent and utilities, as we may incur in activities related to the administration of the Marketing Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Marketing Fund. All interest earned on monies contributed to the Marketing Fund will be used to pay advertising costs before other assets of the Marketing Fund are expended. We may spend on behalf of the Marketing Fund, in any fiscal year an amount greater or less than the aggregate contribution of all FYZICAL® Centers to the Marketing Fund in that year. The Marketing Fund may borrow from us or others to cover deficits or invest any surplus for future use. If we lend money to the Marketing Fund, we may charge interest at an annual rate 1% greater than the rates we pay our lenders. We will prepare an annual statement, which need not be audited, of monies collected and costs incurred by the Marketing Fund and furnish the statement to you upon written request. We have the right to cause the Marketing Fund to be incorporated or operated through a separate entity at such time as we deem appropriate, and such successor entity will have all of the rights and duties specified in this Agreement.

(d) **Marketing Fund Limitations.** You acknowledge that the Marketing Fund is intended to maximize recognition of the Marks and patronage of FYZICAL® Centers. Although we will endeavor to utilize the Marketing Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all FYZICAL® Centers, we undertake no obligation to ensure that expenditures by the Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Marketing Fund by FYZICAL® Center operating in that geographic area or that any FYZICAL® Center will benefit directly or in proportion to its contribution to the Marketing Fund from the development of advertising and marketing materials or the placement of advertising. The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because we maintain, direct or administer Marketing Fund or for any other reason. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you with respect to collecting amounts due to, or maintaining, directing or administering, the Marketing Fund.

**11.3 Local Advertising.** We may require you to spend at least 5%, but not more than 8% of your Center's Gross Revenue per month for local advertising and marketing to promote your Center based on marketing, advertising and promotional programs we develop from time to time; provided, however, that during the first five months after your Center's Opening Date, your local advertising requirement will be reduced by the amount that you contribute to the Grand Opening Marketing Fund (dollar for dollar), up to the amount of your local advertising requirement. You may spend more than this amount, at your discretion. You agree that all such advertising is subject to our approval. You agree to participate at your own expense in all advertising, promotional and marketing programs and campaigns, including without limitation, radio, television, direct mail, internet, newspaper, and/or magazine, and to use any marketing or advertising materials that we develop for FYZICAL® Centers. Your failure to comply with this Section will be deemed a material breach of this Agreement.

**11.4 Participation in Co-op.** If an association of franchise owners is established in a geographic area in which your Center is located (the "Co-op"), you must join and actively participate in it. You must contribute to the Co-op such amounts as are determined by it from time to time, subject to a maximum of 5% of your Center's Gross Revenue unless the Co-op approves a higher percentage. Your local advertising requirement will be reduced by the amount that you contribute to any Co-op (dollar for dollar), up to the amount of your local advertising requirement. The Co-op shall use the contributions received by it to develop local or regional advertising or promotional program pursuant to its rules, regulations and procedures, which you must follow. If the Co-op members are unable to agree upon the required expenditures that the Co-op must undertake, we shall set the minimum amount of expenditure and the form of expenditures that the Co-op must undertake. **Standards for Advertising.** All advertisements and promotions that you create or use will be completely factual and conform to the highest standards of ethical advertising and comply with all federal, state and local laws. You agree to ensure that your advertisements and promotional materials do not infringe upon the intellectual property rights of others. For uniformity and to ensure customers know of the chain, you will include the locations and telephone numbers of other FYZICAL® Centers, whether franchised or owned by us or our affiliates, in any advertising for your Center, as outlined in the Manuals from time to time. You will not be entitled to any compensation for doing so.

**11.6 Approval of Advertising.** To protect and maintain brand consistency, before you use any advertising, marketing or promotional materials that we did not prepare or previously approve, you agree to obtain our approval. If you do not receive our approval within 30 days after submission to us, then they will be deemed disapproved. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapprove).

**11.7 Internet and Websites.** We maintain an internet website at the uniform resource locator (“URL”) [www.fyzical.com](http://www.fyzical.com) (the “Website”) that provides information about the FYZICAL® Centers system and the services that we and our franchisees provide. So long as you are in compliance with your obligations under this Agreement, a webpage on the Website will contain information about your Center. We may require you to prepare all or a portion of the webpage, at your expense, using templates that we provide. Notwithstanding the foregoing, the privacy policy linked to your webpage must comply with all applicable laws, the System Standards, and other terms and conditions that we may prescribe in writing. All such information will be subject to our approval prior to posting. We reserve the right to charge you a reasonable fee for website development, hosting and/or search engine optimization services that we or our designee provide for the Website or any internet website(s) that we maintain, or permit you to maintain, related to your Center. For uniformity and other reasons, you may not maintain a World Wide website, conduct e-commerce, or otherwise maintain a presence or advertise on the internet or any other public computer network in connection with your Center except as we periodically allow. We may allow you to maintain any websites you created prior to the Effective Date for redirection to the Website. We may permit you to have a presence on several media networks, such as social groups or pages identifying your Center. You and your employees may interact with clients or friends on those social media networks in a manner that is consistent with the rules and policies of the applicable social media network and with the professional business protocol in compliance with the Manuals. If we change our policy at a later date to allow franchisees to maintain their own Websites or market on the internet, you may do so only if you comply with all of the Website and internet requirements that we specify. In that case, we may require that you sign an amendment to this Agreement that will govern your ability to maintain a website and/or market on the internet.

## **12. OPERATING STANDARDS.**

**12.1 Generally.** You agree to operate your Center: (a) in a manner that will promote the goodwill of the Marks; and (b) in full compliance with System Standards and all other terms of this Agreement and the Manuals. You agree that you will not, without our prior written approval, offer any services or merchandise that are not authorized by us for FYZICAL® Centers, nor shall your Center be used for any purpose other than operations in compliance with this Agreement and the Manuals. Furthermore, no Licensed Professional may perform physical therapy services or otherwise provide services or use their license except as authorized herein without our prior written consent, which may be withheld for any reason. Notwithstanding the provisions of this Section 12.1 restricting the practice of professional services at your Center, your employees who are Licensed Professionals may provide professional services outside of the Center as part of a professional practice to which the Licensed Professional belongs, provided that you and the Licensed Professionals shall not: (1) use our Intellectual Property, including, without limitation, our trade secrets, business methods, logotypes, service marks and trademarks, in such business or practice; (2) use the Know-how in such business or practice; and/or (3) develop a product or service in such business or practice or elsewhere that would diminish the business opportunities of your Center and other FYZICAL® Centers.

**12.2 Operating Manuals.** To ensure the uniform quality and appearance of FYZICAL® Centers, you agree to establish and operate your Center in accordance with the Manuals. The Manuals may contain, among other things: (a) a description of the authorized goods and services that you may offer at your Center; (b) mandatory and suggested specifications, operating procedures, and quality standards for products, services and procedures that we prescribe from time to time for FYZICAL® Center franchisees; (c) mandatory reporting and insurance requirements; (d) mandatory and suggested specifications for your Center; and (e) a written list of goods and services (or specifications for goods and services) you agree to purchase for the construction of



your Center and the development and operation of your Center and a list of any designated or approved suppliers for these goods or services. We can modify the Manuals at any time. All mandatory provisions contained in the Manuals (whether they are included now or in the future) become part of this Agreement as if fully set forth herein. To the extent any of the System Standards, or other resources in the Manuals, address personnel or employment matters, those are not mandatory but are merely recommendations, suggestions or guidelines. System Standards do not include any mandatory requirements on your employees' wages, working conditions, hours, staffing levels, shift timing or other terms of employment; but may specify uniforms and appearance to meet brand standards.

**12.3 Authorized Goods and Services.** To ensure the uniform quality and appearance of FYZICAL® Centers, you agree to offer all goods and services that we require from time to time in our commercially reasonable judgment. You may not offer any other goods or services at your Center without our prior written permission, nor may you use your Center or permit your Center to be used for any purpose other than offering the goods and services that we authorize. You may perform or provide physical therapy to treat any specific areas of the body or medical conditions for treatment and rehabilitation of injuries that is recognized as medically accepted by generally accepted professional organizations we have approved. We may, without obligation to do so, add, modify or delete authorized goods and services, and you agree to do the same upon notice from us. Our addition, modification or deletion of one or more goods or services shall not constitute a termination of the franchise or this Agreement. We will only delete a previously authorized service or treatment if we have determined in good faith that continuing to offer it would unreasonably risk harm or disrepute to our brand, the System or the goodwill associated with the Marks.

**12.4 Suppliers and Purchasing.** You agree to purchase or lease all products, supplies, equipment, including computer hardware and software, services and other items specified in the Manuals from time to time. If required by the Manuals, you agree to purchase certain goods and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliate). You acknowledge that our right to specify the suppliers that you may use is necessary and desirable so that we can control the uniformity and quality of goods and services used, sold or distributed in connection with the development, construction and ongoing operation of FYZICAL® Centers, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates, administrative fees, or other financial consideration from these suppliers for our services and specifications that are based upon franchisee purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. To the extent we receive rebates, administrative fees or other payments from a supplier of products to you that would otherwise be subject to Section 1128B(b) of the Social Security Act, then: (a) the compensation to us accountable for your purchases from such supplier will not exceed 3% of the purchase price you pay for the products furnished by such supplier; and (b) we will report to you in writing at least annually the actual amount we received from that supplier. If you want us to approve a supplier that you propose, you agree to send us a written notice specifying the supplier's name and qualifications and provide any additional information that we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) that we require. We shall be deemed to have rejected your request if we fail to issue our approval within the 30-day period. We may charge a reasonable fee for evaluating alternative suppliers, products or services, plus the actual cost of travel and living expenses of our personnel as well as any fees we pay to third parties in furtherance of the evaluation. You agree to pay us these amounts within 10 days after invoicing.

**12.5 Equipment Maintenance and Changes.** You agree to maintain your Center and all equipment in good condition and promptly replace or repair any equipment that is damaged, worn-out or obsolete. We may require that you change your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System and you agree to comply with any such required change, at your expense, within the time period that we reasonably prescribe, all as contained in this clause or the Manuals.

**12.6 Software and Technology.** As per our System Standards, we may develop proprietary or non-proprietary software programs, systems and/or technology that we specify or mandate to use by FYZICAL® Center franchisees. We may do so periodically at any time and may modify, enhance, add to, or eliminate the use of any such computer software and similar systems. You will acquire and implement such systems on or before the deadlines we specify for doing so. In this connection, we may require that:

(a) You and we (or our affiliate) enter into a license agreement which may require you to pay us commercially reasonable licensing, support and maintenance, and hosting fees. The terms of the license agreement will govern the terms pursuant to which you may utilize this software or technology;

(b) If we enter into a master software or technology license agreement with a third party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts that we pay to the licensor based on your use of the software or technology, plus a reasonable amount to compensate us for installation or support services that we or our affiliate provide;

(c) You obtain or license the software, technology or systems directly from the providers on such terms as we have approved; and/or

(d) Any combination of the foregoing.

All fees referenced in this Section payable to us (or our affiliate) are due on the 5<sup>th</sup> day of the month or as otherwise specified in the Manuals.

**12.7 Remodeling and Maintenance.** You agree to remodel and make all improvements and alterations to your Center that we reasonably require from time to time to reflect our then-current image, appearance and Center specifications. You may not remodel or significantly alter your premises without our prior written approval, which will not be unreasonably withheld. However, we will not be required to approve any proposed remodeling or alteration that would not conform to our then-current specifications, standards or image requirements. You agree to maintain your Center in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations, at your sole expense, to comply with our standards and specifications. Without limiting the generality of the foregoing, you agree to take the following actions at your sole expense: (a) thorough cleaning, repainting, redecorating of the interior and exterior of the Center at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (b) interior and exterior repair of the Center as needed. You agree to comply with any maintenance, cleaning or Center upkeep schedule that we prescribe from time to time.

**12.8 Hours of Operation.** You agree that your Center will be open during the days and hours specified in the Manuals. You understand that your clients may require assistance outside normal business hours. During business hours, you will have management personnel on duty who are responsible for supervising the Center's employees and operations.

- 12.9 Client Complaints.** If you receive a client complaint, you agree to follow the complaint resolution process that we specify in the Manuals to protect the goodwill associated with the Marks and the System.
- 12.10 Business Formats.** We have established and may continue to develop business formats and protocols (the “**Business Formats**”) relating to the engagement of and your relationship with your Licensed Professional(s). The Business Formats are proprietary and confidential in nature. We have created the Business Formats in an effort to structure an effective relationship between you and the Licensed Professionals involved with your Center. The Business Formats are provided for your benefit. You agree to provide the Business Formats to a lawyer retained by you and licensed to practice in the state where your Center will be located to ensure compliance with your state’s laws and regulations. You agree to Business Formats as the basis for any relationship between you and any of the Licensed Professionals, although the specific terms and conditions may be modified in order to comply with your local law or to reflect negotiated changes between you and the Licensed Professionals. We may require you to obtain our prior written approval of the final Business Formats before its implementation. If you do not receive written notice of approval from us within 30 days of our receipt of all requested information, your proposed Business Formats shall be deemed disapproved. Our written approval of your Business Formats does not constitute our guarantee of a successful relationship between you and the Licensed Professionals. We will not, including through the Business Formats, interfere with your or your Licensed Professional’s professional judgment.
- 12.11 Information Security.** You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in accordance with applicable law and industry best practices. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately of the breach or unauthorized access, and specify the extent to which Personal Information was compromised or disclosed, and your plans to correct and prevent any further breach or unauthorized access. You will allow us, in our discretion, to participate in any response or corrective action. You and we agree to the terms and conditions of the Business Associate Agreement in the form attached hereto as Attachment J in compliance with the Health Insurance Portability and Accountability Act of 1996.

### **13. FEES**

- 13.1 Initial Franchise Fee.** Concurrently with the execution of this Agreement, you must pay us a non-recurring and non-refundable initial franchise fee of \$49,000. However, if you enter into two (2) or more Fyzical® franchise agreements concurrently to open two (2) or more Centers (i.e., you enter into two or more Franchise Agreements at the same time), you must pay us a non-recurring and non-refundable initial franchise fee of \$49,000 for the first Center, \$35,000 for the second Center, and \$20,000 for the third and each subsequent Center. The initial franchise fee is payable in full in one lump sum at the time you sign this Agreement, less any amounts: (i) credited against any deposit paid; and (ii) we have agreed to finance, in which case you will sign our standard form of promissory note for payment of the balance due. The initial franchise fee is fully earned by us and non-refundable once this Agreement has been signed.

- 13.2 Royalty Fee.** Beginning on the Royalty Commencement Date (as defined in Section 13.4), you agree to pay us the following amount as the continuing monthly royalty fee (the “**Royalty**”):

Period	The Greater Of	
	Minimum Guaranteed Royalty per month	Percentage of Gross Revenue for the preceding month
Year 1	\$1,000	6%
Year 2	\$2,000	6%
Year 3 and thereafter	\$3,000	6%

“**Year 1**” begins on the Royalty Commencement Date and ends on its first anniversary. Each subsequent year begins at the end of the previous year and ends 12 months later and so on. We reserve the right to charge you (and you agree to pay) the Minimum Guaranteed Royalty Payment if revenues are not reported as outlined in Section 15.4.

- 13.3 Gross Revenues.** As used in this Agreement, “**Gross Revenue**” means all revenue you derive from operating the Center, including, but not limited to, all amounts you receive from any activities or services whatsoever, whether at or away from the Center, including any products or services that are in any way associated with the Marks, and whether from cash, check, barter, debit or credit (regardless of collection in the case of credit), less: (i) promotional discounts or coupons required by us; (ii) patient refunds, adjustments, credits or allowances made by the Center in good faith and in accordance with our policies; and (iii) all federal, state, or municipal sales, use or service taxes collected from patients and paid to the appropriate taxing authority. The proceeds of any business interruption insurance or similar insurance payments you receive to replace revenue that you lose from the interruption of your Center due to a casualty or other similar event will be considered Gross Revenue.
- 13.4 Timing.** The “**Royalty Commencement Date**” for a New Center or MD Affiliate Center shall be the 5<sup>th</sup> day of the fourth full month following the Opening Date (as defined in Section 3.3). The “**Royalty Commencement Date**” for a Conversion Center shall be the 5<sup>th</sup> day of the first full calendar month following the Opening Date (as defined in Section 3.3). You agree that we will receive the Royalty, together with a report of the Center’s Gross Revenue for the immediately preceding month, on or before the fifth (5<sup>th</sup>) day of each month or as otherwise specified in the Manuals.
- 13.5 Marketing Fund Contributions.** If we establish a Marketing Fund, you agree to contribute to the Marketing Fund such amounts that we designate from time to time, but not more than 2% of your Center’s Gross Revenues (the “**Marketing Fund Contributions**”) during each week. The Marketing Fund Contributions are payable on the Payment Day or as otherwise prescribed by us in the Manual.
- 13.6 Other Fees and Payments.** You agree to pay all other fees, expense reimbursements and other amounts specified in this Agreement in a timely manner as is fully set forth in this Section 13. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon goods or services that you sell or based upon goods or services that we furnish to you (other than income taxes that we pay based on amounts that you pay us under this Agreement).
- 13.7 Interest on Late Payments.** If any sums due under this Agreement have not been received by us when due (or there are insufficient funds in your Account to cover any sums owed to us when due) then, in addition to those sums, you agree to pay us interest on the amounts past due at the rate equal to the lesser of 12% per annum or the highest rate permitted by applicable law. If no due date has been specified by us, then interest begins to accrue 10 days after we bill you. We

will not impose a late fee for any amounts paid pursuant to Section 13.7 if, but only to the extent that, sufficient funds were available in your Account to be applied towards the payments at the time the payments became due and payable. However, we may impose a late fee for any amounts that we are unable to reasonably determine due to your failure to furnish us with a report required by Section 15.4 within the required period of time or record sales in a timely manner, in which case we may assess a late fee on the entire amount that was due and payable. You acknowledge that this Section 13.7 shall not constitute our agreement to accept the late payments after same are due, or a commitment by us to extend credit to or otherwise finance the operation of your Center.

**13.8 Method of Payment.** You agree to complete and send us an ACH Authorization Form allowing us to electronically credit and debit a banking account that you designate (your “**Account**”) for: (a) all fees payable to us pursuant to this Agreement (other than the initial franchise fee); (b) any amounts that you owe to us or any of our affiliates for the purchase of goods or services; and (c) any amounts that we or our affiliate owe you for any amounts that we or they collect on your behalf. Our current form of ACH Authorization Form is attached to this Agreement as ATTACHMENT “F.” You agree to sign and deliver to us any other documents that we or your bank may require to authorize us to credit and debit your Account for these amounts. You agree to deposit into the Account all revenues that you generate from the operation of your Center. You agree to make sufficient funds available for withdrawal by electronic transfer before each due date. If there are insufficient funds in your Account to cover all amounts that you owe, any excess amounts that you owe will be payable upon demand, together with an insufficient funds fee in the amount of \$35 (per occurrence), plus any late charge imposed pursuant to Section 13.8.

**13.9 Application of Payments.** We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate.

**13.10 Adjustments.** If we determine that applicable laws or regulations will not permit the payment of Royalty or Marketing Fund Contribution that is based on Gross Revenue, or raise sufficient risk of such payments being held unlawful, then we may require you to pay us a monthly Royalty equal to \$800 per Therapist and a monthly Marketing Fund Contribution equal to \$133 per Therapist (as defined below) based on the number of Therapists at your Center during the immediately preceding month. For purposes of this calculation, “**Therapist**” includes each physical therapist and physical therapist assistant.

## **14. RESTRICTIVE COVENANTS.**

**14.1 Reason for Covenants.** You acknowledge that the Intellectual Property and the training and assistance that we provide would not be acquired except through implementation of this Agreement. You also acknowledge that competition by you, the Owners or persons associated with you or the Owners (including family members) could seriously jeopardize the entire franchise system because you and the Owners have received an advantage through knowledge of our day-to-day operations and Know-how related to the System. Accordingly, you and the Owners agree to comply with the covenants described in this Section to protect the Intellectual Property and our franchise system.

**14.2 Our Know-How.** You and the Owners agree: (a) neither you nor any Owner will use the Know-how in any business or capacity other than the operation of your Center pursuant to this Agreement; (b) you and the Owners will maintain the confidentiality of the Know-how at all times; (c) neither you nor any Owner will make unauthorized copies of documents containing any Know-how; (d) you and the Owners will take all reasonable steps that we require from time to time to prevent unauthorized use or disclosure of the Know-how; and (e) you and the Owners will stop using the Know-how immediately upon the expiration, termination or Transfer of this

Agreement and return all copies of any Know-how to us, and any Owner who ceases to be an Owner before the expiration, termination or Transfer of this Agreement will stop using the Know-how immediately at the time he or she ceases to be an Owner and return all copies of any Know-how to us.

- 14.3 Unfair Competition During Term.** You and your Owners agree not to unfairly compete with us during the Term by engaging in any of the following activities (“**Prohibited Activities**”): (a) acquiring or developing, or having any direct or indirect interest as a disclosed or beneficial owner in, any Competitive Business, other than owning an interest of less than 5% in a Competitive Business that is a publicly traded company; (b) offering or performing physical therapy services (other than through a FYZICAL® Center); (c) being employed or engaged as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; (d) diverting or attempting to divert any business from us (or one of our affiliates or franchisees) to a Competitive Business; or (e) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to any person that is not then a franchisee of ours.
- 14.4 Unfair Competition After Term.** During the Post-Term Restricted Period, you and your Owners agree not to engage in any Prohibited Activities. Notwithstanding the foregoing, you and your Owners may have an interest in, or be engaged by or perform services for, a Competitive Business during the Post-Term Restricted Period as long as the Competitive Business is not located within, and does not provide competitive goods or services to clients who are located within, the Restricted Territory. If you or an Owner engages in a Prohibited Activity during the Post-Term Restricted Period (other than having an interest in a Competitive Business that is permitted under this Section), then the Post-Term Restricted Period applicable to you or the non-compliant Owner, as applicable, shall be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity
- 14.5 Immediate Family Members.** You and your Owners (as applicable) acknowledge that you and they could circumvent the purpose of Section 14 by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). The Owners also acknowledge that it would be difficult for us to prove whether the Owners disclosed the Know-how to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 14 if any member of his or her immediate family engages in any Prohibited Activities during the Term or Post-Term Restricted Period or uses or discloses the Know-how. However, the Owner may rebut this presumption by furnishing evidence conclusively showing that the Owner did not disclose the Know-how to the family member.
- 14.6 Employees and Others Associated with You.** You agree to ensure that all of your employees, officers, directors, partners, members, independent contractors and other persons associated with you or your Center who may have access to our Know-how, and who are not required to sign a Noncompetition Agreement, sign and send us a Confidentiality Agreement, that will not otherwise contain any terms or conditions of employment, before having access to our Know-how. You agree to use your best efforts to ensure that these individuals comply with the terms of the Confidentiality Agreement and you agree to immediately notify us of any breach that comes to your attention. You agree to reimburse us for all reasonable expenses that we incur in enforcing a Confidentiality Agreement and/or Noncompetition Agreement, including reasonable attorneys’ fees and court costs.
- 14.7 Covenants Reasonable.** You and the Owners acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; (b) our use and enforcement of covenants similar to those described above with respect to other FYZICAL® Center franchisees benefits you and the Owners in that it prevents others from unfairly competing with your Center; and (c) you and the Owners have sufficient resources and business experience

and opportunities to earn an adequate living while complying with the terms of this Agreement. YOU AND THE OWNERS HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS SECTION 14 AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.

- 14.8 Breach of Covenants.** You and the Owners agree that failure to comply with the terms of this Section 14 will cause substantial and irreparable damage to us and/or other FYZICAL® Center franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 14 will entitle us to injunctive relief. We may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 14. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable by reducing any part or all of it, you and we agree that such 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.

## **15. YOUR OTHER RESPONSIBILITIES**

- 15.1 Maximum and Minimum Prices.** To the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for services and products that your Center offers, including, without limitation, prices for promotions in which all or certain FYZICAL® Centers participate. If we establish such prices for any product or service, you agree not to exceed or reduce that price, but will charge the price for the product or service that we establish.
- 15.2 Insurance.** For your protection and ours, you agree to maintain in full force and effect during the Term, at your expense, the following insurance policies (in addition to any insurance that may be required by applicable law, any lender, or any lessor): (a) comprehensive general liability insurance against claims for bodily or personal injury, death and property damage caused by or occurring in connection with the operation of your Center; (b) property/casualty insurance for your Center and its contents; (c) worker's compensation insurance and employer's liability insurance as required by law; (d) professional liability and malpractice insurance; and (e) any other insurance that we specify in the Manuals or otherwise require from time to time. You agree to provide us with proof of coverage on demand. You agree to obtain these insurance policies from insurance carriers that are rated A or better by Alfred M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Center. You agree that all insurance policies will: (1) (except for worker's compensation insurance) name us (and our members, officers, directors, and employees) as additional insureds; (2) contain such types and minimum amounts of coverage, exclusions and maximum deductibles as we prescribe from time to time; (3) contain a waiver by the insurance carrier of all subrogation rights against us; (4) provide that we receive 10 days prior written notice of the termination, expiration, cancellation or modification of the policy; and (5) include such other provisions as we may require from time to time. If any of your policies fail to meet these criteria, then we may disapprove the policy and you agree to

immediately find additional coverage with an alternative carrier satisfactory to us. Upon 10 days' notice to you, we may increase the minimum protection requirement as of the renewal date of any policy, and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Agreement), and you agree to promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

**15.3 Books and Records.** You agree to prepare and maintain at your Center for at least 10 years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Center, including the records reasonably specified by us in the Manuals. You agree to establish and maintain, at your expense, a bookkeeping, accounting and recordkeeping system conforming to the requirements and formats we prescribe from time to time. This may include, for example, a requirement that you use a cash basis method of accounting and/or adopt a calendar year end as your fiscal year end for reporting purposes. You agree to maintain, and furnish to us upon request, a list of all of your clients (excluding any protected health information). You agree to send us copies of your books and records within 7 days of our request.

**15.4 Reports.** You agree to furnish us on such forms that we prescribe from time to time, no later than the 5th of each month (or as otherwise prescribed by us in the Manuals):

- (a) a report on the Center's Gross Revenue during the immediately preceding month;
- (b) a complete roster including the names of all Therapists performing services at or for your Center during the immediately preceding month;
- (c) a report of your local advertising expenditures under Section 11.3 during the immediately preceding month (which shall be accompanied by copies of receipts for such expenditures, if requested by us);
- (d) a report of client visits during the immediately preceding month (which shall exclude any protected health information);
- (e) copies of bank statements for your Center's operating account(s); and
- (f) any other report(s) that we require from time to time, as set forth in the Manuals.

You agree to send us a copy of any other report upon request. We may require that any of the reports and financial statements described in Section 15.4 and Section 15.5 be provided to us by mail, e-mail, facsimile or other electronic system at the times and in the manner we designate. If we require you to purchase and utilize a computer and/or automated cash management system that allows us to electronically retrieve information concerning your sales transactions, you agree that we will have the right to electronically poll your computer and/or automated cash management system, including through use of any software, to retrieve and compile information regarding the operation of your Center.

**15.5 Financial Statements.** During the Term, you agree to provide us with the following financial information:

- (a) within 20 days following the end of each calendar quarter, a quarterly unaudited balance sheet and profit and loss statement for your Center;



(b) within 90 days after the end of each calendar year, a balance sheet (as of the end of the calendar year) and an annual statement of profit and loss and source and use of funds for your Center;

(c) within 10 days after our request, exact copies of federal and state income and other tax returns for your Center; and

(d) such other financial reports and information as we may reasonably request from time to time.

You agree that all financial statements will be verified and signed by you certifying to us that the information is true, complete, and accurate and in accordance with generally accepted accounting principles (“GAAP”). We have the right to require that your annual financial statements be audited by a certified public accountant. You agree to send us a copy of any financial statement required by this Section upon request. You authorize us to disclose the financial statements, reports, and operating data to prospective franchisees, regulatory agencies and others at our discretion, provided the disclosure is not prohibited by applicable law.

**15.6 Legal Compliance.** You agree to secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Center and operate and manage your Center in full compliance with all applicable laws, ordinances, rules and regulations. Notwithstanding the foregoing, unless any order by the federal, state, or local authority requires you to close your Center, you will not close your Center without our prior written consent. You agree to notify us in writing within 2 business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Center or your financial condition. You agree to immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects your failure to fully comply with the law, rule or regulation.

**15.7 Non-Disparagement.** You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, heirs, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates’ directors, officers, employees, representatives or affiliates, current and former franchisees or developers of us or our affiliates, the FYZICAL<sup>®</sup> brand, the System, any FYZICAL<sup>®</sup> Center, any business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the FYZICAL<sup>®</sup> brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the FYZICAL<sup>®</sup> brand or such other brands. The obligations of this Section 15.7. shall survive any expiration or termination of this Agreement.

## **16. INSPECTION AND AUDIT**

**16.1 Inspections.** To ensure compliance with this Agreement, our representatives will have the right to enter your Center, evaluate your operations and inspect or examine your books, records, accounts and tax returns. Our evaluation may include watching your rendered services, contacting your landlord, and/or employees. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Center, and you and your employees will cooperate and not interfere with our inspection. You consent to us accessing your computer system and retrieving any information that we deem appropriate in conducting the inspection.

- 16.2 Audits.** To ensure compliance, we will have the right at any time during your regular business hours, and without prior notice to you, to inspect and audit, or cause to be inspected and audited, your (if you are an Entity) and the Center's business, bookkeeping and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with our representatives and independent accountants in conducting any such inspection or audit. You agree to immediately pay us any shortfall in the amounts you owe us (regardless of the degree), including late fees and interest. You agree to reimburse us for the actual cost of the audit or inspection, including, without limitation, reasonable accounting and attorneys' fees and travel and housing expenses incurred by us or our representatives in conducting the audit or inspection if the inspection or audit is made necessary by your failure to furnish reports, supporting records or other information we require, or to furnish such items on a timely basis. All amounts you are required to pay pursuant to this Section 16.2 shall be due and payable 10 days after the date of the invoice. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.
- 16.3 Safety.** We will not be required to send any of our representatives to your Center to provide any assistance or services if, in our sole determination, it is unsafe to do so. Such determination by us will not relieve you from your obligations under this Agreement (including, without limitation, to pay monies owed) and will not serve as a basis for your termination of this Agreement.

## **17. INTELLECTUAL PROPERTY**

- 17.1 Ownership and Use of Intellectual Property.** You acknowledge that: (a) we are the sole and exclusive owner of the Intellectual Property and the goodwill associated with the Marks; (b) your right to use the Intellectual Property is derived solely from this Agreement; and (c) your right to use the Intellectual Property is limited to a license granted by us to operate your Center during the Term pursuant to, and only in compliance with, this Agreement, the Manuals, and all applicable standards, specifications and operating procedures that we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Manuals governing your use of the Intellectual Property. This Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property.
- 17.2 Changes to Intellectual Property.** The Intellectual Property may be modified at any time by us, including by changing the Marks, the System, the Copyrights or the Know-how. If we modify or discontinue use of any of the Intellectual Property, then you agree to comply with any such changes within the time period prescribed in our notice. We will not be obligated to reimburse you for any direct or indirect loss, including loss of revenue attributable to any modified or discontinued Mark or for any expenditures you make to promote a modified or substitute trademark or service mark. You waive all other claims arising from or relating to any change, modification, substitution or discontinuation of the Intellectual Property. Except for the reimbursement obligation listed in this Section, we will not be liable to you for any expenses, losses or damages that you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.
- 17.3 Use of Marks.** You agree to use the Marks as the sole identification of your Center; provided, however that you agree to identify yourself as the independent owner of your Center in the manner that we prescribe. You may not use any Marks in any modified form or as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you by this Agreement). You agree to: (a) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner that we prescribe to

give notice of trade and service mark registrations and copyrights; and (b) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours. You may not use the Marks as a domain name or part of a domain name.

**17.4 Use of Know-how.** We will disclose the Know-how to you in the initial training program, the Manuals, and in other guidance furnished to you during the Term. You agree that you will not acquire any interest in the Know-how other than the right to utilize it in strict accordance with the terms of this Agreement in the development and operation of your Center. You acknowledge that the Know-how is proprietary and is disclosed to you solely for use in the development and operation of your Center during the Term.

**17.5 Improvements.** If you conceive of or develop any improvements or additions to the services or products offered by, or the method of operation of, a FYZICAL® Center, or any advertising or promotional ideas related to such Center (collectively, “**Improvements**”), you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You agree to obtain our approval prior to using any such Improvements. Any Improvement that we approve may be used by us and any third parties that we authorize to operate a FYZICAL® Center franchise, without any obligation to pay you royalties or other fees. You agree to assign to us or our designee, without charge, all rights to any such Improvement, including the right to grant sublicenses. In return, we will authorize you to use any Improvements that we or other franchisees develop that we authorize for general use in connection with the operation of a FYZICAL® Center.

**17.6 Notification of Infringements and Claims.** You agree to immediately notify us of any: (a) apparent infringement of any of the Intellectual Property; (b) challenge to your use of any of the Intellectual Property; or (c) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property. We are not obligated to indemnify you against any damages for which you are held liable to third parties arising out of your use of any of the Marks, unless otherwise required by applicable state law.

## **18. INDEMNITY.**

You agree to indemnify the Indemnified Parties and hold them harmless for, from and against any and all Losses and Expenses incurred by any of them as a result of or in connection with any of the following Claims: (a) any Claim asserted against you and/or any of the Indemnified Parties arising from the marketing, use or operation of your Center or your performance and/or breach of any of your obligations under this Agreement; (b) any other Claim arising from alleged violations of your relationship with and responsibility to us; or (c) any Claim relating to taxes or penalties assessed by any governmental entity against us that are directly related to your failure to pay or perform functions required of you under this Agreement. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any Claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such Claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such Claim, and to reimburse the

Indemnified Parties for all of their costs and expenses in defending any such Claim, including court costs and reasonable attorneys' fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorneys' fees.

## **19. TRANSFERS**

**19.1 By Us.** This Agreement and the franchise is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Agreement, provided that we shall, subsequent to any such assignment, remain liable for the performance of our obligations under this Agreement up to the effective date of the assignment. We may also delegate some or all of our obligations under this Agreement to one or more persons without assigning the Agreement.

**19.2 By You.** You understand that the rights and duties created by this Agreement are personal to you and the Owners and that we have granted the franchise in reliance upon the individual or collective character, skill, aptitude, attitude, business ability and financial capacity of you and your Owners. Therefore, neither you nor any Owner may engage in any Transfer other than a Permitted Transfer without our prior written approval. Any Transfer (other than a Permitted Transfer) without our approval shall be void and constitute a breach of this Agreement. We will not unreasonably withhold our approval of any proposed Transfer, provided that the following conditions are all satisfied:

(a) the proposed transferee is, in our opinion, an individual of good moral character, who has sufficient business experience, aptitude and financial resources to own and operate a FYZICAL® Center and otherwise meets all of our then applicable standards for franchisees;

(b) you and your Owners are in full compliance with the terms of this Agreement and all other agreements with us or our affiliate;

(c) if the transfer involves a change in the Operating Principal, such new Operating Principal must complete our initial training before managing your Center;

(d) if you are natural person or if you are an Entity and the Transfer involves transfer of Controlling Interest in you:

(1) your landlord must consent to your assignment of the lease to the transferee, or the transferee is diligently pursuing an approved substitute location;

(2) the transferee and its owners, to the extent necessary, must have obtained all licenses and permits required by applicable law in order to own and operate the Center;

(3) the transferee and its owners sign our then-current form of franchise agreement (unless we, in our sole discretion, instruct you to assign this Agreement to the transferee), except that: (1) the Term and renewal term(s) shall be the Term and renewal term(s) remaining under this Agreement; and (2) the transferee need not pay a separate initial franchise fee; and

(4) you remodel your Center to comply with our then-current standards and specifications or you obtain a commitment from the transferee to do so;

(e) you or the transferee pay us a transfer fee equal to 10% of our then-current initial franchise fee for your Protected Area;

(f) you and your Owners sign a General Release for all claims arising before or contemporaneously with the Transfer;

(g) you enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us pursuant to the franchise agreement;

(h) we do not elect to exercise our right of first refusal described in Section 19.5; and

(i) you or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

Our consent to a Transfer shall not constitute a waiver of any claims we may have against the transferor, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the franchise by the transferee.

**19.3 Permitted Transfers.** You may engage in a Permitted Transfer without our prior approval, but you agree to give us at least 60 days' prior written notice. You and the Owners (and the transferee) agree to sign all documents that we reasonably request to effectuate and document the Permitted Transfer.

**19.4 Death or Disability of an Owner.** You agree that upon the death or permanent disability of an Owner, the Owner's ownership interest in you or the franchise, as applicable, will be assigned to another Owner or to a third party approved by us within 180 days. Any assignment to a third party will be subject to all of the terms and conditions of Section 19.2 unless the assignment qualifies as a Permitted Transfer. For purposes of this Section, an Owner is deemed to have a "permanent disability" only if the person has a medical or mental problem that prevents the person from substantially complying with his or her obligations under this Agreement or otherwise operating the Center in the manner required by this Agreement and the Manuals for a continuous period of at least 3 months.

**19.5 Our Right of First Refusal.** If you or an Owner desires to engage in a Transfer, you or the Owner, as applicable, agree to obtain a bona fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the interest in your Center or the ownership interest in you for the same price and upon the same terms contained in the offer (however, we may substitute cash for any form of payment proposed in the offer). If we notify you that we intend to purchase the interest within the 30-day period, you or the Owner, as applicable, agree to sell the interest to us. We will have at least an additional 30 days to prepare for closing. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of Section 19.2 (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after delivery of the offer to us, or there is a material change in the terms of the sale, we will again have the right of first refusal specified in this Section. Our right of first refusal in this Section shall not apply to any Permitted Transfer.

## **20. TERMINATION**

**20.1 By You.** You may terminate this Agreement if we materially breach this Agreement and fail to cure the breach within 60 days after you send us a written notice specifying the nature of the breach. If you terminate this Agreement under this Section, you agree to still comply with your

post-termination obligations described in Section 21 and all other obligations that survive the expiration or termination of this Agreement.

**20.2 Termination By Us Without Cure Period.** We may, in our sole discretion, terminate this Agreement upon written notice, without opportunity to cure, for any of the following reasons, all of which constitute material events of default under this Agreement:

(a) if the license of the designated Operating Principal, Clinical Director, or Licensed Professional is suspended or revoked by the applicable regulatory authority in your state, even if the Operating Principal, Clinical Director, or Licensed Professional maintains appeal rights (unless the Operating Principal, Clinical Director, or Licensed Professional is replaced with an individual who meets the requirements of this Agreement within 60 days);

(b) if your Operating Principal or Clinical Director fails to satisfactorily complete the initial training program within the time period required by Section 5.1;

(c) if you fail to obtain our approval of your Center location within the time period required by Sections 7.1;

(d) if you fail to secure a fully executed lease within the time period required by Section 7.2;

(e) if you fail to open your Center within the time period required by Section 7.4;

(f) if you become insolvent by reason of your inability to pay your debts as they become due or you file a voluntary petition in bankruptcy or any pleading seeking any reorganization, liquidation, dissolution or composition or other settlement with creditors under any law, or are the subject of an involuntary bankruptcy (which may or may not be enforceable under the Bankruptcy Act of 1978, as amended);

(g) if your Center, or a substantial portion of the assets associated with your Center, are seized, taken over or foreclosed by a government official in the exercise of his or her duties, or seized, taken over or foreclosed by a creditor, lienholder or lessor; or a final judgment against you remains unsatisfied for 30 days (unless a supersedes or other appeal bond has been filed); or a levy of execution has been made upon the license granted by this Agreement or upon any property used in your Center, and it is not discharged within 5 days of the levy;

(h) if you abandon or fail to operate your Center for 10 consecutive business days, unless the failure is due to a reason that we approve;

(i) if a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Center, even if you or the Owner still maintain appeal rights;

(j) if you or an Owner (i) is convicted of or pleads no contest to a felony, a crime involving moral turpitude or any other material crime or (ii) is subject to any material administrative disciplinary action or (iii) fails to comply with any federal, state or local law or regulation applicable to your Center;

(k) if you or an Owner commits an act that can reasonably be expected to adversely affect the reputation of the System or the goodwill associated with the Marks;

(l) if you manage or operate your Center in a manner that presents a health or safety hazard to your clients, employees or the public;

(m) if you or an Owner make any material misrepresentation to us, whether occurring before or after being granted the franchise;

- (n) if you fail to pay any amount owed to us or an affiliate of ours under this Agreement or any other agreement or promissory note, within 5 days after receipt of a demand for payment;
- (o) if you or an Owner makes an unauthorized Transfer;
- (p) if you or an Owner makes an unauthorized use of the Intellectual Property;
- (q) if you fail to pay any third-party any amount owed in connection with the operation your Center, and failure to cure such default within the applicable cure period, if any;
- (r) if you or an Owner breaches any of the restrictive covenants described in Section 14;
- (s) if the lease for your premises is terminated due to your default; or
- (t) if we terminate any other agreement between you and us or if any affiliate of ours terminates any agreement between you and the affiliate because of your default.

**20.3 Additional Conditions of Termination.** In addition to our termination rights in Section 20.2, we may, in our sole discretion, terminate this Agreement upon 30 days' written notice if you or an Owner fail to comply with any other provision of this Agreement (including any mandatory provision in the Manuals) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period. If we deliver a notice of default to you pursuant to this Section 20.3, we may suspend performance of any of our obligations under this Agreement until you fully cure the breach.

**20.4 Mutual Agreement to Terminate.** If you and we mutually agree in writing to terminate this Agreement, you and we will be deemed to have waived any required notice period.

## **21. POST-TERM OBLIGATIONS.**

After the termination, expiration or Transfer of this Agreement, you and the Owners agree to:

- (a) immediately cease to use the Intellectual Property, Personal Information, and any confidential information and return all copies of any confidential materials that we have loaned to you;
- (b) comply with all covenants described in Section 14 that apply after the expiration, termination or Transfer of this Agreement or the disposal of an ownership interest by an Owner;
- (c) return all copies of the Manuals, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms, and any other materials bearing or containing any of the Marks, Copyrights or other identification relating to a FYZICAL® Center, unless we allow you to transfer such items to an approved transferee;
- (d) return all copies of the Software (and delete all such software from your computer memory and storage);
- (e) take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to your use of any of the Marks;
- (f) to the extent permitted under applicable law, provide us with the Personal Information or dispose all Personal Information in compliance with all applicable laws;

(g) assign all client contracts to us (unless we allow you to transfer those contracts to an approved transferee) and/or promptly refund client pre-payments, as directed by us;

(h) make such modifications and alterations to the premises that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party at the premises; provided, however, that this subsection shall not apply if your franchise is transferred to an approved transferee or if we exercise our right to purchase your entire Center;

(i) notify all telephone companies, listing agencies and domain name registration companies (collectively, the “**Agencies**”) of the termination or expiration of your right to use: (i) the telephone numbers and/or domain names, if applicable, related to the operation of your Center; and (ii) any regular, classified or other telephone directory listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so); and

(j) provide us with satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Agreement.

## **22. DISPUTE RESOLUTION.**

The parties agree to submit any claim, dispute or disagreement, including any matter pertaining to the validity, enforcement or interpretation of this Agreement or issues relating to the offer and sale of the franchise or the relationship between the parties (a “**Dispute**”) to Judicial Arbitration and Mediation Services (“JAMS”), or its successor, for mediation before a mutually-agreeable mediator, unless the Dispute involves an alleged breach of Section 14 or Section 17. Either party may commence mediation by providing JAMS and the other party a written request for mediation, setting forth the subject of the dispute and the relief requested. Any mediation shall take place through in-person meeting(s) in the county in which we (or our successors or assigns, as applicable) maintain our (their) principal place of business at the time the mediation begins (currently, Sarasota County, Florida). The parties will cooperate with JAMS and with one another in selecting a mediator from the JAMS panel of neutrals and in scheduling mediation proceedings. The parties agree that they will participate in mediation in good faith and that they will share equally the costs and expenses of JAMS and the appointed neutral mediator. If the Dispute is not successfully resolved by mediation after the initial mediation session, or if the Dispute involves an alleged breach of Section 14 or Section 17, either party may file a lawsuit in any state or federal court of general jurisdiction in the county in which we (or our successors or assigns, as applicable) maintain our (their) principal place of business at the time the lawsuit is filed (currently, Sarasota County, Florida) and we and you irrevocably submit to the jurisdiction of such courts and waive any objection either of us may have to either the jurisdiction or venue of such courts. The mediation may continue after the commencement of litigation if both parties agree. If we or you must enforce this Agreement in a judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable accounting and legal fees. **UNLESS PROHIBITED BY APPLICABLE LAW, ANY DISPUTE (OTHER THAN FOR PAYMENT OF MONIES OWED OR A VIOLATION OF SECTION 14 OR SECTION 17) MUST BE BROUGHT BY FILING A WRITTEN DEMAND FOR MEDIATION WITHIN ONE YEAR FOLLOWING THE CONDUCT, ACT OR OTHER EVENT OR OCCURRENCE GIVING RISE TO THE CLAIM, OR THE RIGHT TO ANY REMEDY WILL BE DEEMED FOREVER WAIVED AND BARRED. WE AND YOU IRREVOCABLY WAIVE: (a) TRIAL BY JURY; AND (b) THE RIGHT TO LITIGATE ON A CLASS ACTION BASIS, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.**

## **23. YOUR REPRESENTATIONS.**

**YOU HEREBY REPRESENT THAT: (a) YOU HAVE NOT RECEIVED ANY WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF**



THE CENTER CONTEMPLATED BY THIS AGREEMENT, EXCEPT FOR ANY INFORMATION DISCLOSED IN THE FRANCHISE DISCLOSURE DOCUMENT; (b) YOU HAVE NO KNOWLEDGE OF ANY REPRESENTATIONS BY US OR ANY OF OUR OFFICERS, DIRECTORS, MEMBERS, EMPLOYEES OR REPRESENTATIVES ABOUT THE CENTER CONTEMPLATED BY THIS AGREEMENT THAT ARE CONTRARY TO THE TERMS OF THIS AGREEMENT OR THE FRANCHISE DISCLOSURE DOCUMENT; (c) YOU RECEIVED (1) AN EXACT COPY OF THIS AGREEMENT AND ITS ATTACHMENTS AT LEAST 5 BUSINESS DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT IS EXECUTED; AND (2) OUR FRANCHISE DISCLOSURE DOCUMENT AT THE EARLIER OF (A) 14 CALENDAR DAYS BEFORE YOU SIGNED A BINDING AGREEMENT OR PAID ANY MONEY TO US OR OUR AFFILIATES OR (B) AT SUCH EARLIER TIME IN THE SALES PROCESS THAT YOU REQUESTED A COPY; (d) YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE FRANCHISEES OF OURS MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES; AND (e) YOU HAVE CONDUCTED AN INDEPENDENT INVESTIGATION OF THE CENTER CONTEMPLATED BY THIS AGREEMENT AND RECOGNIZE THAT IT INVOLVES BUSINESS RISKS, MAKING THE SUCCESS OF THE VENTURE LARGELY DEPENDENT UPON YOUR OWN CENTER ABILITIES, EFFORTS AND JUDGMENTS, AND THE SERVICES OF YOU AND THOSE YOU EMPLOY.

## **24. GENERAL PROVISIONS**

**24.1 Governing Law.** Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Florida (without reference to its principles of conflicts of law), but any law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

**24.2 Relationship of the Parties.** You understand and agree that nothing in this Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you agree to conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Center. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Agreement.

**24.3 Severability and Substitution.** Each section, subsection, term and provision of this Agreement, and any portion thereof, shall be considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Agreement. If a court concludes that any promise or covenant in this Agreement is unreasonable and unenforceable: (a) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (b) we may unilaterally modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable. In addition, this Agreement will be deemed automatically modified to comply with applicable law if such governing law requires: (a) a greater prior notice of the termination of or refusal to renew this Agreement; or (b) the taking

of some other action not described in this Agreement; or (c) if any system standard is invalid or unenforceable. We may modify such invalid or unenforceable provision to the extent required to be valid and enforceable. In such event, you will be bound by the modified provisions.

- 24.4 Waivers.** You and we may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall be without prejudice to any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Agreement (including the right to demand exact compliance with every term, condition and covenant in this Agreement or to declare any breach of this Agreement to be a default and to terminate the franchise before the expiration of its term) by virtue of: (a) any custom or practice of the parties at variance with the terms of this Agreement; (b) any failure, refusal or neglect of us or you to exercise any right under this Agreement or to insist upon exact compliance by the other with its obligations under this Agreement, including any mandatory specification, standard, or operating procedure; (c) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other FYZICAL® Center franchisees; or (d) the acceptance by us of any payments due from you after breach of this Agreement.
- 24.5 Approvals.** Whenever this Agreement requires our approval, you agree to make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have disapproved your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. You are not entitled to any other relief or damages for our denial of approval.
- 24.6 Binding Effect.** This Agreement is binding upon the parties to this Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Agreement; provided, however, that the additional insureds listed in Section 15.2 and the Indemnified Parties are intended third party beneficiaries under this Agreement with respect to Section 15.2 and Section 18, respectively.
- 24.7 Integration.** This Agreement along with the attachments hereto constitute the entire agreement between the parties and may not, except in case of the Manuals, be changed except by a written document signed by both parties. Any e-mail correspondence or other form of informal electronic communication shall not be deemed to modify this Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Agreement. The attachment(s) are part of this Agreement, which, together with any Amendments or Addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Agreement. As referenced above, all mandatory provisions of the Manuals are part of this Agreement. Any representations not specifically contained in this Agreement made before entering into this Agreement do not survive after the signing of this Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, there being no mutual intent to enter into contract relations, whether by agreement or by implication, other than as set forth above. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Agreement, would affect the economic terms of this bargain. Nothing in this Agreement or any related agreement, however, is intended to

disclaim any of the representations we made in the Franchise Disclosure Document that we furnished to you.

**24.8 Covenant of Good Faith.** If applicable law implies a covenant of good faith and fair dealing in this Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (a) this Agreement (and the relationship of the parties that is inherent in this Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Agreement that may affect favorably or adversely your interests; (b) we will use our judgment in exercising the discretion based on our assessment of our own interests and balancing those interests against the interests of our franchisees generally (including ourselves and our affiliates if applicable), and specifically without considering your individual interests or the individual interests of any other particular franchisee; (c) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (d) in the absence of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

**24.9 Rights of Parties are Cumulative.** The rights of the parties under this Agreement are cumulative and no exercise or enforcement by either party of any right or remedy under this Agreement will preclude any other right or remedy available under this Agreement or by law.

**24.10 Survival.** All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Agreement (or the Transfer of an ownership interest in the franchise) shall continue in full force and effect subsequent to and notwithstanding its termination, expiration or Transfer and until they are satisfied in full or by their nature expire, including, without limitation, Section 13 to Section 18, Section 21, Section 22 and Section 24.

**24.11 Construction.** The headings in this Agreement are for convenience only and do not define, limit or construe the contents of the sections or subsections. All references to Sections refer to the Sections contained in this Agreement unless otherwise specified. All references to days in this Agreement refer to calendar days unless otherwise specified. The term “you” as used in this Agreement is applicable to one or more persons or an Entity, and the singular usage includes the plural and the masculine and neuter usages include the other and the feminine and the possessive.

**24.12 Time of Essence.** Time is of the essence in this Agreement and every term thereof.

**24.13 Counterparts.** This Agreement may be signed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document. Facsimile signatures will have the same force and effect as original signatures.

**24.14 Notice.** You agree that all notices and reports permitted or required under this Agreement or by the Manuals will be in writing and will be deemed delivered:

(a) at the time delivered by hand;

(b) 1 business day after transmission by facsimile, e-mail or other electronic system;

(c) 2 business days after being placed in the hands of a commercial airborne courier service for next business day delivery; or

(d) 3 business days after placement in the United States mail by registered or certified mail, return receipt requested, postage prepaid.

Delivery by facsimile, e-mail and electronic means constitutes a writing and does not require designation of a physical address (as otherwise stated below). You agree that all such notices will otherwise be addressed to the parties as follows:

YOU: As set forth in the opening paragraph of this Agreement or at your Center  
US: FYZICAL, LLC  
Attn: Chief Operating Officer  
1751 Mound Street, Suite 102  
Sarasota, Florida 34236

Either party may change the address for delivery of notices and reports, and any such notice will be effective within 10 business days of any change in address. Any required payment or report not actually received by us during regular business hours on the due date will be deemed delinquent.

The parties to this Agreement have executed this Agreement effective as of the Effective Date first above written.

<b>FRANCHISOR:</b>	<b>FRANCHISEE:</b>
<b>FYZICAL, LLC</b>	_____
<b>a Delaware limited liability company</b>	<i>[Business Entity Name]</i>

By:_____	By:_____
Print Name: _____	Print Name: _____
Title: _____	Title: _____

(If Individual(s)):

Sign:\_\_\_\_\_

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

Sign:\_\_\_\_\_

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

**ATTACHMENT "A"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**Definitions**

**“Account”** is defined in Section 13.8.

**“Acquisition”** is defined in Section 3.2(e).

**“Agencies”** is defined in Section 21.2(j).

**“Agreement”** is defined in the Introductory Paragraph.

**“Alternative Channels of Distribution”** is defined in Section 3.2(a).

**“Approved Location”** is defined in Section 2.

**“Business Formats”** is defined in Section 12.10.

**“Center”** is defined in Section 2.

**“Claim”** or **“Claims”** means any and all claims, actions, demands, assessments, litigation, or other form of regulatory or adjudicatory procedures, claims, demands, assessments, investigations, or formal or informal inquiries.

**“Clinical Director”** is defined in Section 8.2.

**“Competitive Business”** means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any business or establishment that performs physical therapy, balance and vestibular therapy and medical based wellness.

**“Confidentiality Agreement”** means our form of Confidentiality Agreement, the most current form of which is attached to this Agreement as ATTACHMENT “H”.

**“Controlling Interest”** in you means the percent of the voting shares or other voting rights that results from dividing 100% of the ownership interests by the number of owners. In the case of a proposed Transfer of an ownership interest in you the determination of whether a “Controlling Interest” is involved must be made as of both immediately before and immediately after the proposed Transfer to see if a “Controlling Interest” will be transferred (because of the number of Owners before the proposed Transfer) or will be deemed to have been transferred (because of the number of Owners after the proposed Transfer). **“Co-op”** is defined in Section 11.4.

**“Copyrights”** means all works and materials for which we or our affiliates have secured common law or registered copyright protection and that we allow FYZICAL® Center franchisees to use, sell or display in connection with the marketing and/or operation of a FYZICAL® Center, whether now in existence or created in the future.

**“Dispute”** is defined in Section 22.

**“Effective Date”** is defined in the Introductory Paragraph.

**“Entity”** means a corporation, partnership, limited liability company or other form of association.

**“FYZICAL® Center”** means a center that provides clients with physical therapy for rehabilitation, pain management and balance, medical based wellness and other products and services that we authorize from time to time, under the Marks and the System. (see also Section 2)

**“GAAP”** is defined in Section 15.5.

**“General Release”** means our current form of general release of all claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities.

**“Grand Opening Marketing Fund”** is defined in Section 11.1

**“Gross Revenue”** is defined in Section 13.3.

**“Improvements”** is defined in Section 17.5.

**“Indemnified Party”** or **“Indemnified Parties”** means us and each of our past, present and future owners, members, officers, directors, employees and agents, as well as our parent companies, subsidiaries and affiliates, and each of their past, present and future owners, members, officers, directors, employees and agents.

**“Intellectual Property”** means, collectively or individually, our Marks, Copyrights, Know-how and System.

**“Know-how”** means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a FYZICAL® Center, including, but not limited to, operating methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.

**“Licensed Professional”** is defined in Section 2.

**“Losses and Expenses”** means all compensatory, exemplary, and punitive damages; fines and penalties; attorneys’ fees; experts’ fees; accountants’ fees; court costs; costs associated with investigating and defending against Claims; settlement amounts; judgments; compensation for damages to our reputation and goodwill; and all other costs, damages, liabilities and expenses associated with any of the foregoing losses and expenses or incurred by an Indemnified Party as a result of a Claim.

**“Manuals”** is defined in Section 6.2.

**“Marketing Fund”** is defined in Section 11.2

**“Marketing Fund Contributions”** is defined in Section 13.5

**“Marks”** means the logotypes, service marks, and trademarks now or hereafter designated by us for the operation of a FYZICAL® Center, including “FYZICAL” and “FYZICAL (Design)” and any other trademarks, service marks or trade names that we designate for use in a FYZICAL® Center. The term “Marks” also includes any distinctive trade dress used to identify a FYZICAL® Center, whether now in existence or hereafter created.

**“Minimum Performance Standard”** is defined in Section 4.

**“National Account”** is defined in Section 3.4.

**“Noncompetition Agreement”** means our form of Nondisclosure, Nonsolicitation and Noncompetition Agreement, the most current form of which is attached to this Agreement as ATTACHMENT “G”.

**“Opening Date”** is defined in Section 3.3.

**“Operating Principal”** is defined in Section 8.1.

**“Owner”** or **“Owners”** means any individual who owns a direct or indirect ownership interest in the franchise or the Entity that is the franchisee under this Agreement. “Owner” includes both passive and active owners.

**“Permitted Transfer”** means: (i) a Transfer from one Owner to another Owner who was an approved Owner prior to such Transfer, other than a Transfer by an Owner who is the Operating Principal; and/or (ii) a Transfer to a newly established Entity for which the Owners collectively own and control 100% of the ownership interests and voting power.

**“Post-Term Restricted Period”** means, with respect to you or any Owner, a 2-year period after the termination, expiration or Transfer of this Agreement.

**“Prohibited Activities”** is defined in Section 14.3.

**“Protected Area”** is defined in Section 3.1.

**“Restricted Territory”** means the geographic area within: (i) a 15-mile radius of your Center; and (ii) a 3-mile radius around any other FYZICAL® Center operating on the date of termination, expiration or Transfer of this Agreement.

**“Royalty”** is defined in Section 13.2.

**“Royalty Commencement Date”** is defined in Section 13.4.

**“Search Area”** as defined in Section 7.1.

**“Software”** is defined in Section 6.3.

**“Successor Agreement”** is defined in Section 4.1.

**“Successor Franchise Fee”** is defined in Section 4.2.

**“System”** means our distinct and, with respect to certain aspects, proprietary system for the operation of a Center that provides physical therapy and other rehabilitation services, including, without limitation, pain management and balance programs, and related products and services, the distinctive characteristics of which include logo, trade secrets, concept, style, proprietary programs and products, confidential operations manuals and operating system. The System shall also include additional products and services that we may authorize from time to time for FYZICAL® Centers.

**“System Standards”** is defined in Section 6.2.

**“Term”** is defined in Section 4.1.

**“Territory Opportunity”** is defined in Section 3.5.

**“Therapist”** is defined in Section 13.11.

**“Transfer”** means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree), assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the franchise (or any interest therein), the Center (or any portion thereof) or an ownership interest in an Entity that is the franchisee,

including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession).

**“URL”** is defined in Section 11.7.

**“We”** or **“us”** or **“our”** is defined in the Introductory Paragraph.

**“Website”** is defined in Section 11.7.

**“You”** or **“your”** is defined in the Introductory Paragraph.



**ATTACHMENT "B"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**SEARCH AREA**

The following is the description of the Search Area:

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**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**(If Individual(s)):**

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**ATTACHMENT "C"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**TYPE OF FYZICAL® CENTER**

Please select the type of FYZICAL® Center you will own and operate:

- ☐ New Center
- ☐ Conversion Center
- ☐ MD Affiliate Center

**APPROVED LOCATION**

The Approved Location of your Center referenced in Section 2 of the Franchise Agreement shall be:

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**INITIAL** \_\_\_\_\_ **FRANCHISE** \_\_\_\_\_ **FEE:** \_\_\_\_\_

**PROTECTED**  
**AREA:** \_\_\_\_\_

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

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

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

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

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

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

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

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

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

**(If Individual(s)):**

Sign: \_\_\_\_\_

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

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

Sign: \_\_\_\_\_

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

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

**ATTACHMENT "D"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**STATEMENT OF OWNERSHIP INTEREST**

You acknowledge and agree that we rely on the truth and accuracy of this form in awarding the franchise to you.

**1. Form of Franchisee.** Please check the applicable box:

- |                              |                          |
|------------------------------|--------------------------|
| 1. General Partnership       | <input type="checkbox"/> |
| 2. Corporation               | <input type="checkbox"/> |
| 3. Limited Partnership       | <input type="checkbox"/> |
| 4. Limited Liability Company | <input type="checkbox"/> |
| 5. Other                     | <input type="checkbox"/> |
| 6. Specify                   |                          |
| 7.                           |                          |

**2. If Franchisee is an Entity.** You were incorporated or formed on \_\_\_\_\_, under the laws of the State of \_\_\_\_\_. You represent and warrant that you have not conducted business under any name other than your corporate, limited liability company or partnership name and \_\_\_\_\_.

**3. Owners.** The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest. Attach additional sheets if necessary.

<u>Owner's Name</u>	<u>Address</u>	<u>Description of Interest</u>
*		

\* Operating Principal

**4. Governing Documents.** The undersigned agree to provide copies of the documents and contracts governing the ownership, management and other significant aspects of the entity (e.g., articles of incorporation or organization, partnership or shareholder agreements, etc.) to Franchisor promptly upon request.

[Signature page to follow]

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

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

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

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

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

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

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

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

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

**(If Individual(s)):**

Sign: \_\_\_\_\_

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

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

Sign: \_\_\_\_\_

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

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

**ATTACHMENT "E"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**OWNERS' GUARANTY**

In consideration of and as an inducement to FYZICAL, LLC, a Delaware limited liability company ("**Franchisor**") entering into that certain Franchise Agreement dated as of \_\_\_\_\_ (the "**Franchise Agreement**"), between Franchisor and \_\_\_\_\_, a(n) \_\_\_\_\_ ("**Franchisee**"), the undersigned individuals (each, a "**Guarantor**") jointly and severally, personally and unconditionally, do hereby: (a) guarantee to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant in (1) the Franchise Agreement and (2) any ancillary agreement executed by Franchisee and Franchisor (or executed by Franchisee in favor of Franchisor) in connection with the Franchise Agreement, including but not limited to any agreement for the purchase of goods or services from Franchisor and any promissory note related to payments made to Franchisor (collectively, the "**Agreements**"); and (b) agree to be personally bound by, and personally liable for, each and every provision in the Agreements, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the requirements pertaining to non-competition, confidentiality, transfers, and dispute resolution.

Each Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right the Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor consents and agrees that: (1) such Guarantor's direct and immediate liability under this guaranty shall be joint and several; (2) such Guarantor shall render any payment or performance required under the Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of each of the Agreements and following the termination, expiration or transfer of each of the Agreements to the extent any obligations under any such Agreements survive such termination, expiration or transfer.

Depending on the creditworthiness of each Guarantor and the community property laws of the states in which they reside, Franchisor may require that the spouses of one or more Guarantors execute this guaranty as well. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state that does not require the consent of both spouses to encumber the assets of a marital estate or Franchisor has waived in writing any requirement that such spouse execute this guaranty.

Each Guarantor consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other owners and Guarantors of Franchisee;

(b) Guarantor shall render any payment or performance required under any of the Agreements upon demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or more of the Agreements by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) If no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate. The spouse of the Guarantor, by executing this Guaranty, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to the undersigned's performance of this Guaranty;

(e) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed;

(f) This Guaranty shall be governed by and construed in accordance with the laws of the State of Florida; and

(g) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

Each Guarantor hereby signs and delivers this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

<b>GUARANTOR(S)</b>	<b>SPOUSE(S)</b>
<b>Signed:</b> _____ <b>Name:</b> _____ <b>Address:</b> _____ _____	<b>Signed:</b> _____ <b>Name:</b> _____ <b>Address:</b> _____ _____
<b>Signed:</b> _____ <b>Name:</b> _____ <b>Address:</b> _____ _____	<b>Signed:</b> _____ <b>Name:</b> _____ <b>Address:</b> _____ _____

**ATTACHMENT "F"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**ACH AUTHORIZATION FORM**

*[See Attached]*



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AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

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Franchisee Information:

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Franchisee Name

Business No.

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Franchisee Mailing Address (street)

Franchisee Phone No.

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Franchisee Mailing Address (city, state, zip)

---

Contact Name, Address and Phone number (if different from above)

---

Franchisee Fax No.

Franchisee E-mail Address

---

Bank Account Information:

---

Bank Name

---

Bank Mailing Address (street, city, state, zip)

---

☐ Checking ☐

Savings

---

Bank Account No.

(check one)

Bank Routing No. (9 digits)

---

Bank Mailing Address (city, state, zip)

Bank Phone No.

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Authorization:

Franchisee hereby authorizes FYZICAL, LLC, ("Franchisor") to initiate debit entries to Franchisee's account with the Bank listed above and Franchisee authorizes the Bank to accept and to debit the amount of such entries to Franchisee's account. Each debit shall be made from time to time in an amount sufficient to cover any fees payable to Franchisor pursuant to any agreement between Franchisor and Franchisee as well as to cover any purchases of goods or services from Franchisor or any affiliate of Franchisor. Franchisee agrees to be bound by the National Automated Clearing House Association (NACHA) rules in the administration of these debit entries. Debit entries will be initiated only as authorized above. This authorization is to remain in full force and effect until Franchisor has received written notification from Franchisee of its termination in such time and in such manner as to afford Franchisor and the Bank a reasonable opportunity to act on it. Franchisee shall notify Franchisor of any changes to any of the information contained in this authorization form at least 30 days before such change becomes effective.

Signature:\_\_\_\_\_

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

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

Its:\_\_\_\_\_

Federal Tax ID Number:\_\_\_\_\_

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NOTE: FRANCHISEE AGREES TO ATTACH A VOIDED CHECK RELATING TO THE BANK  
ACCOUNT.

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**ATTACHMENT "G"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**NONDISCLOSURE, NONSOLICITATION AND NONCOMPETITION AGREEMENT**

This Agreement (this “**Agreement**”) is entered into by the undersigned (“**you**”) in favor of FYZICAL, LLC, a Delaware limited liability company, and its successors and assigns (“**us**”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

- (a) “**Center**” means a FYZICAL® Center operated under the Marks and using the System.
- (b) “**Competitive Business**” means any business or facility owning, operating or managing, or granting franchises or licenses to others to do so, any business or establishment that performs physical therapy, balance and vestibular therapy and medical based wellness.
- (c) “**Copyrights**” means all works and materials for which we or our affiliates have secured common law or registered copyright protection and that we allow FYZICAL® Center franchisees to use, sell or display in connection with the marketing and/or operation of a FYZICAL® Center, whether now in existence or created in the future.
- (d) “**Franchisee**” means the FYZICAL® Center franchisee for whom you are an owner, partner, member, officer, director, employee or independent contractor.
- (e) “**Intellectual Property**” means, collectively or individually, our Marks, Copyrights, Know-how and System.
- (f) “**Know-how**” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a FYZICAL® Center, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.
- (g) “**Manuals**” means our confidential operations manual(s) for the operation of a FYZICAL® Center.
- (h) “**Marks**” means the logotypes, service marks, and trademarks now or hereafter designated by us for the operation of a FYZICAL® Center, including “FYZICAL” and “FYZICAL (Design)” and any other trademarks, service marks or trade names that we designate for use in a FYZICAL® Center. The term “Marks” also includes any distinctive trade dress used to identify a FYZICAL® Center, whether now in existence or hereafter created.
- (i) “**Prohibited Activities**” means any or all of the following: (i) acquiring or developing, or having any direct or indirect interest as a disclosed or beneficial owner in, any Competitive

Business, other than owning an interest of less than 5% in a Competitive Business that is a publicly traded company; (ii) offering or performing physical therapy services (other than through a FYZICAL® Center); (iii) being employed or engaged as a director, officer, manager, employee, consultant, representative, agent or otherwise for a Competitive Business; (iv) diverting or attempting to divert any business from us (or one of our affiliates or franchisees) to a Competitive Business; and/or (v) inducing any client of ours (or of one of our affiliates or franchisees) to transfer their business to any person that is not then a franchisee of ours.

- (j) **“Restricted Period”** means the 2-year period after you cease to be an owner, partner, member, officer, director, employee or independent contractor of Franchisee.
- (k) **“Restricted Territory”** means the geographic area within: (i) a 15-mile radius of the Franchisee’s Center; and (ii) a 3-mile radius around any other FYZICAL® Center operating or under construction on the date that you cease to be an owner, partner, member, officer, director, employee or independent contractor of Franchisee.
- (l) **“System”** means our distinct and, with respect to certain aspects, proprietary system for the operation of a Center that provides physical therapy and other rehabilitation services, including, without limitation, pain management and balance programs, medical based wellness and related products and services, the distinctive characteristics of which include logo, trade secrets, concept, style, proprietary programs and products, confidential operations manuals and operating system. The System shall also include additional products and services that we may authorize from time to time for FYZICAL® Centers.

**2. Background.** You are an owner, partner, member, officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of our System and Know-how. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

**3. Intellectual Property.** You agree: (i) you will not use the Know-how in any Center or capacity other than the FYZICAL® Center operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer an owner, partner, member, officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

**4. Unfair Competition During Relationship.** You agree not to unfairly compete with us at any time while you are an owner, partner, member, officer, director, employee or independent contractor of Franchisee by engaging in any Prohibited Activities.

**5. Unfair Competition After Relationship.** You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in, or being engaged by or performing services for, a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to clients who are located within the Restricted Territory. If you engage in any Prohibited

Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the prohibited activity.

**6. Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the Prohibited Activities or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**7. Covenants Reasonable.** You acknowledge and agree that: (i) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (ii) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

**8. Non-Disparagement.** You agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, heirs, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' directors, officers, employees, representatives or affiliates, current and former franchisees or developers of us or our affiliates, the FYZICAL® brand, the System, any FYZICAL® Center, any business using the Marks, any other brand or service-marked or trademarked concept of us or our affiliates, or which would subject the FYZICAL® brand or such other brands to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us, the FYZICAL® brand or such other brands. **The obligations of this Section shall survive any expiration or termination of this Agreement.**

**9. Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other FYZICAL® Center franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee, regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

## **10. Miscellaneous.**

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) Notwithstanding anything to the contrary, this Agreement will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms reasonable in scope, duration and geographic area.

(d) You and we both believe that the covenants in this Agreement are reasonable in terms of scope, duration and geographic area. However, we may at any time unilaterally modify the terms of this Agreement upon written notice to you by limiting the scope of the Prohibited Activities, narrowing the definition of a Competitive Business, shortening the duration of the Restricted Period, reducing the geographic scope of the Restricted Territory and/or reducing the scope of any other covenant imposed upon you under this Agreement to ensure that the terms and covenants in this Agreement are enforceable under applicable law.

**EXECUTED on the date stated below.**

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name

**ATTACHMENT "H"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**

**CONFIDENTIALITY AGREEMENT**

This Agreement (this “**Agreement**”) is entered into by the undersigned (“**you**”) in favor of FYZICAL, LLC, a Delaware limited liability company, and its successors and assigns (“**us**”), upon the terms and conditions set forth in this Agreement.

**1. Definitions.** For purposes of this Agreement, the following terms have the meanings given to them below:

- (a) “**Copyrights**” means all works and materials for which we or our affiliates have secured common law or registered copyright protection and that we allow FYZICAL® Center franchisees to use, sell or display in connection with the marketing and/or operation of a FYZICAL® Center, whether now in existence or created in the future.
- (b) “**Franchisee**” means the FYZICAL® Center franchisee for whom you are an owner, partner, member, officer, director, employee or independent contractor.
- (c) “**Intellectual Property**” means, collectively or individually, our Marks, Copyrights, Know-how and System.
- (d) “**Know-how**” means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a FYZICAL® Center, including, but not limited to, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System and the Manuals.
- (e) “**Manuals**” means our confidential operations manual(s) for the operation of a FYZICAL® Center.
- (f) “**Marks**” means the logotypes, service marks, and trademarks now or hereafter designated by us for the operation of a FYZICAL® Center, including “FYZICAL” and “FYZICAL (Design)” and any other trademarks, service marks or trade names that we designate for use in a FYZICAL® Center. The term “Marks” also includes any distinctive trade dress used to identify a FYZICAL® Center, whether now in existence or hereafter created.
- (g) “**System**” means our distinct and, with respect to certain aspects, proprietary system for the operation of a Center that provides physical therapy and other rehabilitation services, including, without limitation, pain management and balance programs, and medical based wellness and related products and services, the distinctive characteristics of which include logo, trade secrets, concept, style, proprietary programs and products, confidential operations manuals and operating system. The System shall also include additional products and services that we may authorize from time to time for FYZICAL® Centers.

**2. Background.** You are an owner, partner, member, officer, director, employee or independent contractor of Franchisee. As a result of this association, you may gain knowledge of

our System and Know-how. You understand that protecting the Intellectual **Property is vital to** our success and that of our franchisees and that you could seriously jeopardize our entire franchise system if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this Agreement.

**3. Know-How and Intellectual Property.** You agree: (a) you will not use the Know-how in any Center or capacity other than the FYZICAL® Center operated by Franchisee; (b) you will maintain the confidentiality of the Know-how at all times; (c) you will not make unauthorized copies of documents containing any Know-how; (d) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (e) you will stop using the Know-how immediately if you are no longer an owner, partner, member, officer, director, employee or independent contractor of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

**4. Immediate Family Members.** You acknowledge that you could circumvent the purpose of this Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this Agreement if any member of your immediate family uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

**5. Acknowledgement.** If you are an employee or an independent contractor of Franchisee, you acknowledge that (a) you are not our or our affiliates' employee or independent contractor; (b) Franchisee has the sole discretion and authority to determine the terms of your employment; (c) Franchisee is solely responsible for paying all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings required by law) arising out of your employment with Franchisee; and (d) we do not control either the day-to-day activities of our franchisees or the hiring or firing of the employees or independent contractors of our franchisees.

**6. Covenants Reasonable.** You acknowledge and agree that: (a) the terms of this Agreement are reasonable both in time and in scope of geographic area; and (b) you have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Agreement. **YOU HEREBY WAIVE ANY RIGHT TO CHALLENGE THE TERMS OF THIS AGREEMENT AS BEING OVERLY BROAD, UNREASONABLE OR OTHERWISE UNENFORCEABLE.**

**7. Breach.** You agree that failure to comply with the terms of this Agreement will cause substantial and irreparable damage to us and/or other FYZICAL® Center franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Agreement will entitle us to injunctive relief. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). If a court requires the filing of a bond notwithstanding the preceding sentence, the parties agree that the amount of the bond shall not exceed \$1,000. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you may have against us or against Franchisee,



regardless of cause or origin, cannot be used as a defense against our enforcement of this Agreement.

**8. Miscellaneous.**

(a) If we hire an attorney or file suit against you because you have breached this Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

(b) Notwithstanding anything to the contrary, this will be governed by, construed and enforced under the laws of Florida and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Agreement.

(c) Each section of this Agreement, including each subsection and portion thereof, is severable. In the event that any section, subsection or portion of this Agreement is unenforceable, it shall not affect the enforceability of any other section, subsection or portion; and each party to this Agreement agrees that the court may impose such limitations on the terms of this Agreement as it deems in its discretion necessary to make such terms enforceable.

**EXECUTED on the date stated below.**

Date:

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Signature

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Typed or Printed Name

**ATTACHMENT “T”  
TO FYZICAL, LLC FRANCHISE AGREEMENT**

TO LEASE AGREEMENT DATED \_\_\_\_\_  
BY AND BETWEEN

\_\_\_\_\_, AS “**LANDLORD**”

AND

\_\_\_\_\_, AS “**TENANT**” FOR THE DEMISED  
PREMISES (“**PREMISES**”) DESCRIBED IN THE LEASE (AS DEFINED BELOW)

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This Lease Addendum and the provisions hereof are hereby incorporated into the body of the lease to which this Lease Addendum is attached (the “**Lease**”), and the provisions hereof shall be cumulative of those set forth in the Lease, but to the extent of any conflict between any provisions of this Lease Addendum and the provisions of the Lease, this Lease Addendum shall govern and control.

1. Consent to Collateral Assignment to Franchisor; Disclaimer. Landlord acknowledges that Tenant intends to operate a FYZICAL® center in the Premises, and that Tenant’s rights to operate a FYZICAL® center and to use the FYZICAL® name, trademarks and service marks (the “**Marks**”) are solely pursuant to a franchise agreement (“**Franchise Agreement**”) between Tenant and FYZICAL, LLC (“**Franchisor**”). Tenant’s operations at the Premises are independently owned and operated. Landlord acknowledges that Tenant alone is responsible for all obligations under the Lease unless and until Franchisor or another franchisee expressly, and in writing, assumes such obligations and takes actual possession of the Premises. Notwithstanding any provisions of the Lease to the contrary, Landlord hereby consents, without payment of a fee and without the need for further Landlord consent, to (i) the collateral assignment of Tenant’s interest in the Lease to Franchisor to secure Tenant’s obligations to Franchisor under the Franchise Agreement, and (ii) Franchisor’s (or any entity owned or controlled by, or under common control with, Franchisor) succeeding to Tenant’s interest in the Lease as a result of Franchisor’s exercise of rights remedies under such collateral assignment or as a result of Franchisor’s termination of, or exercise of rights or remedies granted in or under, any other agreement between Franchisor and Tenant, and (iii) Tenant’s, Franchisor’s or any other franchisee of Franchisor’s assignment of the Lease to another franchisee of Franchisor with whom Franchisor has executed its then-standard franchise agreement. Landlord agrees and acknowledges that in relation to the assignment of the Lease pursuant to the immediately preceding sentence (i) Landlord shall release any guarantees provided by the Tenant or its owners in connection with the Lease (“**Tenant Guarantee**”), and (ii) the Tenant Guarantees shall be replaced with (x) a corporate guarantee issued by Franchisor or its affiliates, if the Lease is assigned to Franchisor or its affiliates, or (y) a guarantee furnished by the assignee (other than Franchisor or its affiliates) in the form reasonably requested by Landlord. Landlord further agrees that all unexercised renewal or extension rights shall not be terminated in the event of any assignment referenced herein, but shall inure to the benefit of the applicable assignee.

2. Use of Premises. Without limitation of uses permitted under the Lease, but in expansion thereof, Tenant shall have the right to use the Premises for purposes of operating a rehabilitation and wellness center approved by Franchisor under the trade name FYZICAL® or such other tradenames that Franchisor may prescribe.

3. Remodeling, Décor, Signs and Marks. Landlord agrees that Tenant shall have the right to remodel, equip, paint, and decorate the interior of the Premises and to display the Marks, signs, and awnings on the interior and exterior of the Premises as Tenant is required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate a FYZICAL® center in the Premises;

Ex. I - 1

provided, however, that Tenant shall make no structural changes to the Premises without Landlord's consent.

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

4.1. Landlord agrees to allow Tenant to use Franchisor's standard sign and awning package to the maximum extent permitted by local governmental authorities.

4.2. Tenant shall be provided, at Tenant's sole cost and expense, with a panel on any pylon/monument/directory sign for the development in which the Premises is located, and shall be permitted to install a standard sign thereon as approved by Franchisor, including without limitation Franchisor's logo.

5. Exclusive; Use Restrictions. Landlord covenants and agrees that, for the term of the Lease, no portion of the building or shopping complex in which the Premises is situated shall be used or occupied by any: (a) pawn shop, flea market or junk yard, (b) gun sales or rental shop, (c) gambling, off-track betting, electronic gaming or bingo parlor, (d) psychic, tarot card reading or similar services, (e) bail bondsman, (f) sale or distribution of drug supplies or paraphernalia (except as sold by a licensed pharmacist), including, but not limited to, roach clips, water pipes, bongs, coke spoons, cigarette papers or hypodermic syringes, (g) tattoo parlor, massage parlors, or exotic or erotic dance clubs, (h) sale or distribution of any pornographic or "adult" materials including, but not limited to, "adult" books, videos, or recordings of any kind, (i) liquor store, or (j) physical rehabilitation center or medical-based wellness and pain management center.

6. Notice and Cure Rights to Franchisor. Prior to exercising any remedies hereunder (except in the event of imminent danger to the Premises), Landlord shall give Franchisor written notice of any default by Tenant or expiration or termination of the Lease, and commencing upon receipt thereof by Franchisor, Franchisor shall have 15 additional days to the established cure period as is given to Tenant under the Lease for such default, provided that in no event shall Franchisor have a cure period of less than (i) fifteen (15) days after Franchisor's receipt of such notice as to monetary defaults or (ii) thirty (30) days after Franchisor's receipt of such notice as to non-monetary defaults. Landlord agrees to accept cure tendered by Franchisor as if the same was tendered by Tenant, but Franchisor has no obligation to cure such default. The initial address for notices to Franchisor is as follows:

FYZICAL, LLC  
1751 Mound Street, Suite 102  
Sarasota, Florida 34236  
Attention: Bradley Byars, General Counsel

7. Non-disturbance from Mortgage Lenders. Notwithstanding anything contained in the Lease to the contrary or in conflict, it shall be a condition of the Lease being subordinated to any mortgage, deed of trust, deed to secure debt or similar encumbrance on the Premises that the holder of such encumbrance agree not to disturb Tenant's rights under the Lease or Tenant's possession of the Premises, so long as Tenant is not in default of its obligations hereunder beyond an applicable grace or cure period provided herein (as may be extended from time-to-time pursuant to paragraph 6 immediately above).

***CHECK THE FOLLOWING PARAGRAPH THAT APPLIES. CHECK ONLY ONE. IF NONE IS CHECKED, THEN CLAUSE a) BELOW WILL BE APPLICABLE, AND CLAUSE b) BELOW WILL BE DEEMED DELETED***

A) ☐ Landlord represents and warrants that on the date hereof no mortgage, deed of trust, deed to secure debt or similar encumbrance encumbers the Premises.

B) ☐ A mortgage, deed of trust or deed to secure debt currently encumbers the Premises. It is a condition precedent to Tenant's obligations under the Lease that the holder of such encumbrance enter into a written subordination and non-disturbance agreement with Tenant, in form acceptable to Franchisor.

8. Third-Party Beneficiary. Franchisor is a third-party beneficiary of this Lease Addendum. Therefore, Franchisor shall have all rights (but not the obligation) to enforce the terms of this Lease Addendum.

9. Amendments. Tenant and Landlord agree that the Lease may not be terminated, modified or amended without Franchisor's prior written consent, nor shall Landlord accept surrender of the Premises without Franchisor's prior written consent. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

10. Copy of Lease. Landlord agrees to provide Franchisor with a copy of the fully-executed Lease within 10 days of its full execution by Landlord and Tenant to the address shown in paragraph 6 above.

11. Successors and Assigns. All of Franchisor's rights, privileges and interests under this Lease Addendum and the Lease shall inure to the benefit of Franchisor's successors and assigns. All provisions of this Lease Addendum applicable to Tenant and Landlord shall be binding upon any successor or assign of Tenant or Landlord under the Lease.

12. Counterparts. This Lease Addendum may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

AGREED and executed and delivered under seal by the parties hereto as of the day and year of the Lease.

**LANDLORD:** \_\_\_\_\_

**TENANT:** \_\_\_\_\_

By:

\_\_\_\_\_  
\_\_\_\_\_

Name:

\_\_\_\_\_  
\_\_\_\_\_

Title:

\_\_\_\_\_  
\_\_\_\_\_

By:

\_\_\_\_\_  
\_\_\_\_\_

Name:

\_\_\_\_\_  
\_\_\_\_\_

Title:

\_\_\_\_\_  
\_\_\_\_\_

**ATTACHMENT “J”**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**  
**FORM OF BUSINESS ASSOCIATE AGREEMENT**

**Business Associate Agreement**

**THIS BUSINESS ASSOCIATE AGREEMENT** (hereinafter “BAA”) is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between \_\_\_\_\_, (hereinafter, referred to as “Covered Entity”) and \_\_\_\_\_, a \_\_\_\_\_ (hereinafter, referred to as “Business Associate”, in accordance with the meaning given to those terms at 45 CFR §164.501). In this BAA, Covered Entity and Business Associate are each a “Party” and, collectively, are the “Parties”.

**RECITALS**

**WHEREAS**, Covered Entity is a healthcare professional organization that provides physical therapy, balance, audiology, and rehabilitative services with a principal place of business at \_\_\_\_\_. The scope of business is described below:

**WHEREAS**, Covered Entity is either a “covered entity” or “business associate” of a covered entity as each are defined under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended by the HITECH Act (as defined below) and the related regulations promulgated by HHS (as defined below) (collectively, “HIPAA”) and, as such, is required to comply with HIPAA’s provisions regarding the confidentiality and privacy of Protected Health Information (as defined below);

**WHEREAS**, The Parties have entered into or will enter into one or more agreements under which Business Associate provides or will provide certain specified services to Covered Entity (collectively, the “Agreement”); In providing services pursuant to the Agreement, Business Associate will have access to Protected Health Information; By providing the services pursuant to the Agreement, Business Associate will become a “business associate” of the Covered Entity as such term is defined under HIPAA;

**WHEREAS**, Both Parties are subject to complying with all federal and state laws governing the confidentiality and implementing privacy of health information, security, and breach notification and enforcement rules including, but not limited to, the Standards for Privacy of Individually Identifiable Health Information found at 45 C.F.R. Parts 160 and 164, Subparts A and E (collectively, the “HIPAA Rules”);

**WHEREAS**, Both Parties intend to protect the privacy and provide for the security of Protected Health Information disclosed to Business Associate pursuant to the terms of this Agreement, HIPPA Rules, and other applicable laws.

**NOW, THEREFORE**, in consideration of the mutual covenants and conditions contained herein and the continued provision of PHI by Covered Entity to Business Associate under the

Agreement in reliance on this BAA, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

- I. **Definitions.** For purposes of this BAA, the Parties give the following meaning to each of the terms in this Section 1 below. Any capitalized term used in this BAA, but not otherwise defined, has the meaning given to that term established in 45 C.F.R. §160 through 164.
- A. **“Affiliate”** means a subsidiary or affiliate of Covered Entity that is, or has been, considered a covered entity as defined by HIPPA.
  - B. **“Breach”** the unauthorized acquisition, access, use, or disclosure of PHI which compromises the security or privacy of such information, as defined in 45 CFR § 164.402.
  - C. **“Breach Notification Rule”** means the Standards and Implementation Specifications for Notification of Breaches of Unsecured PHI under 45 CFR Parts 160 and 164, subparts A and D.
  - D. **“Data Aggregation”** means, with respect to PHI created or received by a Business Associate in its capacity as the “business associate” under HIPPA of Covered Entity, the combining of such PHI by Business Associate with the PHI received by the Business Associate in its capacity as a business associate of one or more other “covered entity” under HIPPA, to permit data analyses that relate to the Health Care Operations (defined below) of the respective covered entities.
  - E. **“Designated Record Set”** means a group of records maintained by or for Covered Entity that is: (a) the medical records and billing records about Individuals maintained by or for a covered health care provider; or (b) used in whole or in part, by or for Covered Entity to make decisions about individuals. For these purposes, the term record means any item, collection, or grouping of information that includes PHI and is maintained, collected, used, or disseminated by or for Covered Entity.
  - F. **“Electronic Protected Health Information”** or EPHI shall mean individually identifiable health information that is transmitted or maintained in electronic media as defined in 45 C.F.R. § 160.103.
  - G. **“Health Care Operations”** has the meaning given to that term in 45 CFR § 164.501.
  - H. **“HHS”** means the U.S. Department of Health and Human Services.
  - I. **“HITECH Act”** means the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.
  - J. **“Individual”** means the person who is the subject of the PHI, and shall have the same meaning as the term "individual" as defined in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
  - K. **“Privacy Rule”** means that portion of HIPAA set forth in 45 CFR Part 160 and Part 164, Subparts A and E.
  - L. **“Protected Health Information” or “PHI”** has the meaning given to the term “protected health information” in 45 C.F.R. § 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

- M. **“Required by Law”** has the same meaning as the term "required by law" in 45 C.F.R. § 164.512.
- N. **“Secretary”** means the Secretary of the United States Department of Health and Human Services, or his or her designee.
- O. **“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 as defined in 45 C.F.R. § 164.304.
- P. **“Security Rule”** means the Security Standards and Implementation Specifications for the Protection of Electronic Protected Health Information at 45 C.F.R. Parts 160 and 164, subparts A and C.
- Q. **“Unsecured Protected Health Information”** means PHI that is not rendered unusable, unreadable, or indecipherable to unauthorized persons through the use of a technology or methodology specified by the Secretary from time to time.

## II. Permitted Use and Disclosure of PHI.

- A. Except as otherwise provided in this BAA, Business Associate may use or disclose PHI as reasonably necessary to provide the services described in the Agreement to Covered Entity, and to undertake other activities of Business Associate permitted or required of Business Associate by this BAA or as required by law.
- B. Except as otherwise limited by this BAA or federal or state law, Covered Entity authorizes Business Associate to use the PHI in its possession for the proper management and administration of Business Associate’s business and to carry out its legal responsibilities. Business Associate may disclose PHI for its proper management and administration, provided that (i) the disclosures are required by law; or (ii) Business Associate obtains, in writing, prior to making any disclosure to a third party (a) reasonable assurances from this third party that the PHI will be held confidential as provided under this BAA and used or further disclosed only as required by law or for the purpose for which it was disclosed to this third party and (b) an agreement from this third party to notify Business Associate immediately of any breaches of the confidentiality of PHI, to the extent it had knowledge of the breach.
- C. Business Associate will not use or disclose PHI in a manner other than as provided in this BAA, as permitted under the Privacy Rule, or as required by law. Business Associate will use or disclose PHI, to the extent practicable, as a limited data set or limited to the minimum necessary amount of PHI to carry out the intended purpose of the use or disclosure, in accordance with Section 13405(b) of the HITECH Act (codified at 42 USC §17935(b)) and any of the act’s implementing regulations adopted by HHS, for each use or disclosure of PHI.
- D. Upon request, Business Associate will make available to Covered Entity any of Covered Entity’s PHI that Business Associate or any of its agents or subcontractors have in their possession.

- E. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with 45 CFR §164.502(j)(1).
- III. **Safeguards Against Misuse of PHI.** Business Associate will use appropriate safeguards to prevent the use or disclosure of PHI other than as provided by the Agreement or this BAA and Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the Electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity. Business Associate agrees to take reasonable steps, including providing adequate training to its employees to ensure compliance with this BAA and to ensure that the actions or omissions of its employees or agents do not cause Business Associate to breach the terms of this BAA.
- IV. **Reporting Disclosures of PHI and Security Incidents.** Business Associate will report to Covered Entity in writing any use or disclosure of PHI not provided for by this BAA of which it becomes aware and Business Associate agrees to report any such event within five business days of becoming aware of the event.
- V. **Reporting Breaches of Unsecured PHI.** Business Associate will notify Covered Entity in writing promptly upon the discovery of any Breach of Unsecured PHI in accordance with the requirements set forth in 45 CFR §164.410, but in no case later than 30 calendar days after discovery of a Breach. Business Associate will reimburse Covered Entity for any costs incurred by it in complying with the requirements of Subpart D of 45 CFR §164 that are imposed on Covered Entity as a result of a Breach committed by Business Associate.
- VI. **Mitigation of Disclosures of PHI.** Business Associate will take reasonable measures to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of any use or disclosure of PHI by Business Associate or its agents or subcontractors in violation of the requirements of this BAA.
- VII. **Agreements with Agents or Subcontractors.** Business Associate will ensure that any of its agents or subcontractors that have access to, or to which Business Associate provides, PHI agree in writing to the restrictions and conditions concerning uses and disclosures of PHI contained in this BAA and agree to implement reasonable and appropriate safeguards to protect any Electronic PHI that it creates, receives, maintains or transmits on behalf of Business Associate or, through the Business Associate, Covered Entity. Business Associate shall notify Covered Entity, or upstream Business Associate, of all subcontracts and agreements relating to the Agreement, where the subcontractor or agent receives PHI as described in section 1.M. of this BAA. Such notification shall occur within 30 (thirty) calendar days of the execution of the subcontract by placement of such notice on the Business Associate's primary website. Business Associate shall ensure that all subcontracts and agreements provide the same level of privacy and security as this BAA.
- VIII. **Audit Report.** Upon request, Business Associate will provide Covered Entity, or upstream Business Associate, with a copy of its most recent independent HIPPA compliance report (AT-C 315), HITRUST certification or other mutually agreed upon independent standards based third party audit report. Covered entity agrees not to re-disclose Business Associate's audit report.
- IX. **Access to PHI by Individuals.**



- A. Upon requests, Business Associates agrees to furnish Covered Entity with copies of the PHI maintained by Business Associate in a Designated Record Set in the time and manner designated by Covered Entity to enable Covered Entity to respond to an Individual's request for access to PHI under 45 CFR §164.524,
- B. In the event any Individual or personal representative requests access to the Individual's PHI directly from Business Associate, Business Associate within ten business days, will forward that request to Covered Entity. Any disclosure of, or decision not to disclose, the PHI requested by an Individual or a personal representative and compliance with the requirements applicable to an Individual's right to obtain access to PHI shall be the sole responsibility of Covered Entity.

**X. Amendment of PHI.**

- A. Upon request and instruction from Covered Entity, Business Associate will amend PHI or a record about an Individual in a Designated Record Set that is maintained by, or otherwise within the possession of, Business Associate as directed by Covered Entity in accordance with procedures established by 45 CFR §164.526. Any request by Covered Entity to amend such information will be completed by Business Associate within 15 business days of Covered Entity's request.
- B. In the event that any Individual requests that Business Associate amend such Individual's PHI or record in a Designated Record Set, Business Associate within ten business days will forward this request to Covered Entity. Any amendment of, or decision not to amend, the PHI or record as requested by an individual and compliance with the requirements applicable to an Individual's right to request an amendment of PHI will be the sole responsibility of Covered Entity.

**XI. Accounting of Disclosures.**

- A. Business Associate will document any disclosures of PHI made by it to account for such disclosures as required by 45 CFR §164.528(a). Business Associate also will make available information related to such disclosures in accordance with 45 CFR §164.528. At a minimum, Business Associate will furnish Covered Entity the following with respect to any covered disclosure by Business Associate: (i) the date of disclosure of PHI; (ii) the name of the entity or person who received PHI, and, if known, the address of such entity or person; (iii) a brief description of the PHI disclosed; and (iv) a brief statement of the purpose of the disclosure which includes the basis for such disclosure.
- B. Business Associate will furnish to Covered Entity information collected in accordance with this Section 10, within ten business days after written request by Covered Entity, to permit Covered Entity to make an accounting of disclosures as required by CFR §164.528, or in the event that Covered Entity elects to provide an Individual with a list of its business associates, Business Associate will provide an accounting of its disclosures of PHI upon the request of the Individual, if and to the extent that such accounting is required under the HITECH Act or under HHS regulations adopted in connection with the HITECH Act.
- C. In the event an Individual delivers the initial request for an accounting directly to Business Associate, Business Associate will within ten business days forward such request to Covered Entity.

**XII. Availability of Books and Records.** Business Associate will make available its internal practices, books, agreements, records, and policies and procedures relating to the use and disclosure of PHI, upon request, to the Secretary of HHS for purpose of

determining Covered Entity's and Business Associate's compliance with HIPPA, and this BAA.

- XIII. **Responsibilities of Covered Entity.** With regard to the use and/or disclosure of Protected Health Information by Business Associate, Covered Entity agrees to:
- A. Notify Business Associate of any limitation(s) in its notice of privacy practices in accordance with CFR §164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.
  - B. Notify Business Associate of any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of PHI.
  - C. Notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR §164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.
  - D. Except for data aggregation or management and administrative activities of Business Associate, Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPPA if done by Covered Entity.
- XIV. **Data Ownership.** Business Associate's data stewardship does not confer data ownership rights on Business Associate with respect to any data shared with it under the Agreement, including any and all forms thereof.
- XV. **Term and Termination.**
- A. This BAA will become effective on the date first written above, and will continue in effect until all obligations of the Parties have been met under the Agreement and under this BAA.
  - B. Covered Entity may terminate immediately this BAA, the Agreement, and any other related Agreements if Covered Entity makes a determination that Business Associate has breached a material term of this BAA and Business Associate has failed to cure that material breach, to Covered Entity's reasonable satisfaction, within 30 days after written notice from Covered Entity. Covered Entity may report the problem to the Secretary of HHS if termination is not feasible.
  - C. If Business Associate determines that Covered Entity has breached a material term of this BAA, then Business Associate will provide Covered Entity with written notice of the existence of the breach and shall provide Covered Entity with 30 days to cure the breach. Covered Entity's failure to cure the breach within the 30-day period will be grounds for immediate termination of the Agreement and this BAA by Business Associate. Business Associate may report the breach to HHS.
  - D. Upon termination of the Agreement or this BAA for any reason, all PHI maintained by Business Associate will be returned to Covered Entity or destroyed by Business Associate. Business Associate will not retain any copies of such information. This provision will apply to PHI in the possession of Business Associate's agents and subcontractors. If return or destruction of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate will furnish Covered Entity with notification, in writing, of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of the PHI is infeasible, Business Associate will extend the protections of this BAA to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those

purposes that make the return or destruction of the information not feasible. The parties understand that this Section 15.D will survive any termination of this BAA.

**XVI. Effect of BAA.**

- A. This BAA is a part of and subject to the terms of the Agreement, except that to the extent any terms of this BAA conflict with any term of the Agreement, the terms of this BAA will govern.
- B. Except as expressly stated in this BAA or as provided by law, this BAA will not create and rights in favor of any third party.

**XVII. Regulatory References.** A reference in this BAA to a section in HIPPA means the section as in effect or as amended at the time.

**XVIII. Notices.** All notices, requests and demands or other communications to be given under this BAA to a Party will be made via either first class mail, registered or certified or express courier, or electronic mail to the Party's address given below:

**A. If to Covered Entity, to:**

\_\_\_\_\_ (Name of FYZ entity)

Attn: Privacy Manager

1751 Mound Street, Sarasota Fl 34236

T:941 870 4383 ext. 10131

E: privacymanager@fyzicalhq.com

**B. If to Business Associate, to:**

Attn:

T:

E:

**XIX. Amendments and Waiver.** This BAA may not be modified, nor will any provision be waived or amended, except in writing duly signed by authorized representatives of the Parties. A waiver with respect to one event shall not be construed as continuing, or as a bar to or waiver of any right or remedy as to subsequent events.

**XX. HITECH Act Compliance.** The Parties acknowledge that the HITECH Act includes significant changes to the Privacy Rule and the Security Rule. The privacy subtitle of the HITECH Act sets forth provisions that significantly change the requirements for business associates and the agreements between business associates and covered entities under HIPPA and these changes may be further clarified in forthcoming regulations as they become effective but, in the event that the Parties are unable to reach agreement on such a modification, either Party will have the right to terminate this BAA upon 30-days' prior written notice to the other Party.

**XXI. Representations and Warranties of Business Associate.** Business Associate represents and warrants to Covered Entity that all of its employees, agents, representatives, Subcontractors and members of its Workforce, whose services may be used to fulfill obligations under the Underlying Agreement, or this BAA are or will be appropriately informed of their obligations and responsibilities regarding Protected Health Information hereunder.

IN WITNESS WHEREOF, in light of the mutual agreement and understanding described above,  
the Parties execute this BAA as of the date first written above.

\_\_\_\_\_ **(COVERED ENTITY)**

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

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

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

\_\_\_\_\_ **(BUSINESS ASSOCIATE)**

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

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

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

**ATTACHMENT "K"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**  
**MEDIA RELEASE**

**ATTACHMENT "L"**  
**TO FYZICAL, LLC FRANCHISE AGREEMENT**  
**GRAND OPENING MARKETING FUND**

Grand Opening Marketing Fund: \$\_\_\_\_\_

**EXHIBIT B TO THE DISCLOSURE DOCUMENT**

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**FINANCIAL STATEMENTS**

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## **UNAUDITED FINANCIAL STATEMENTS**



**FYZICAL, LLC: Financial Statements (Interim and Unaudited)**

<b>Income Statement</b>	<b>1/1/2025 to 02/28/2025</b>
Franchise fees, net	840,057
Royalty income	1,708,896
Other revenue	77,009
<b>Total revenue</b>	<b>2,625,961</b>
Operating expenses	
Advertising	127,638
Amortization	-
Bad debt expense	64,333
Commissions	297,501
Depreciation	(68,967)
Insurance	48,130
Legal fees	46,906
Occupancy	64,561
Office expense	178,568
Professional fees	71,681
Salaries, wages and related benefits	1,374,391
State fees and taxes	3,347
Trade shows and conventions	59,625
Travel expense	46,001
Other expenses	110,713
<b>Total operating expenses</b>	<b>2,424,430</b>
Income from operations	201,531
Interest income	37,517
<b>Net gain</b>	<b>239,048</b>

<b>Balance Sheet</b>	<b>2/28/2025</b>
<b>Assets</b>	
<b>Current assets</b>	
Cash	2,010,350
Accounts receivable	4,375,097
Deferred costs	-
Prepaid expenses	878,747
Notes receivable, current maturities	1,028,718
Deferred costs: current	905,688
<b>Total current assets</b>	<b>9,198,600</b>
<b>Noncurrent assets:</b>	
Notes receivable, less current maturities	96,875
Due from related party	-
Intangible assets	-
Property and equipment	1,026,349
Deferred costs less current	6,018,649
Right-of-use asset	509,442
<b>Total noncurrent assets</b>	<b>7,651,315</b>
<b>Total assets</b>	<b>16,849,915</b>
<b>Liabilities and Members' Equity</b>	
<b>Current liabilities:</b>	
Accounts payable	669,270
Accrued expenses	1,956,273
Deferred revenue and deposits	5,309,905
Deferred rent: current	-
Sublease obligation: current portion	7,079
Short-term lease liability	244,400
<b>Total current liabilities</b>	<b>8,186,927</b>
<b>Noncurrent liabilities:</b>	
Deferred revenue	25,556,741
Sublease obligation, less current	25,297
Long-term lease liability	355,604
<b>Total noncurrent liabilities</b>	<b>25,937,642</b>
<b>Total liabilities</b>	<b>34,124,569</b>
<b>Members' equity</b>	<b>(17,274,654)</b>
<b>Total Liabilities and Members' Equity</b>	<b>16,849,915</b>

## **AUDITED FINANCIAL STATEMENTS**

**Fyzical, LLC**  
Financial Statements and  
Independent Auditor's Report  
December 31, 2024, 2023, and 2022

## Contents

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## **Independent Auditor's Report**

The Member  
Fyzical, LLC  
Sarasota, FL

### **Opinion**

We have audited the financial statements of Fyzical, LLC (the Company), which comprise the balance sheets as of December 31, 2024, 2023, and 2022, the related statements of operations, changes in member's deficit and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, 2023, and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

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

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## **Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*KuKuing Barbino & Co.*

Sarasota, Florida  
March 26, 2025

**Fyzical, LLC**  
Balance Sheets  
December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Assets</b>			
Current Assets:			
Cash	\$ 1,281,538	\$ 1,866,952	\$ 2,185,157
Accounts receivable, net	3,513,666	3,427,195	2,195,505
Prepaid expenses and other current assets	382,834	328,255	388,191
Notes receivable, current portion, net	678,534	828,834	1,004,368
Note receivable from related party	292,489	-	-
Deferred costs, current portion	905,688	756,459	495,712
Total current assets	<u>7,054,749</u>	<u>7,207,695</u>	<u>6,268,933</u>
Non-Current Assets:			
Long-term accounts receivable	318,317	114,710	-
Notes receivable, less current portion	182,860	253,722	136,052
Note receivable from related party	-	750,000	-
Other intangible assets, net	-	-	352
Property and equipment, net	1,026,349	1,078,022	803,673
Deferred costs, less current portion	6,018,649	5,513,034	3,614,305
Right-of-use lease asset	509,442	719,672	623,997
Total non-current assets	<u>8,055,617</u>	<u>8,429,160</u>	<u>5,178,379</u>
Total Assets	<u>\$ 15,110,366</u>	<u>\$ 15,636,855</u>	<u>\$ 11,447,312</u>
<b>Liabilities and Member's Deficit</b>			
Current Liabilities:			
Accounts payable	\$ 917,034	\$ 315,488	\$ 452,244
Accrued expenses	428,095	905,680	1,000,585
Deferred revenue, current portion	5,309,905	4,914,444	4,468,520
Sublease obligation, current portion	7,079	7,354	9,900
Short-term lease liability	244,400	220,207	177,984
Total current liabilities	<u>6,906,513</u>	<u>6,363,173</u>	<u>6,109,233</u>
Non-Current Liabilities:			
Deferred revenue, less current portion	25,556,741	27,148,632	22,863,928
Sublease obligation, less current portion	25,297	38,528	48,891
Long-term lease liability	355,604	600,004	527,805
Total non-current liabilities	<u>25,937,642</u>	<u>27,787,164</u>	<u>23,440,624</u>
Total Liabilities	32,844,155	34,150,337	29,549,857
Member's Deficit	<u>(17,733,789)</u>	<u>(18,513,482)</u>	<u>(18,102,545)</u>
Total Liabilities and Member's Deficit	<u>\$ 15,110,366</u>	<u>\$ 15,636,855</u>	<u>\$ 11,447,312</u>

See accompanying notes to financial statements.

**Fyzical, LLC**  
Statements of Operations  
Years Ended December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Revenue:			
Franchise fees, net	\$ 6,225,873	\$ 5,485,361	\$ 7,336,371
Royalty income	10,660,240	9,651,504	8,658,230
Total revenue	<u>16,886,113</u>	<u>15,136,865</u>	<u>15,994,601</u>
Operating Expenses:			
Advertising	1,525,477	1,353,288	1,050,397
Commissions	723,452	255,632	778,374
Credit loss expense	90,173	100,970	190,911
Depreciation	412,644	361,036	309,195
Insurance	267,017	253,089	248,699
Legal fees	267,297	139,776	61,731
Occupancy	559,974	535,445	463,759
Office expense	854,663	697,337	616,823
Other	190,440	185,500	134,564
Professional fees	697,495	643,653	1,232,303
Salaries, wages and related benefits	8,963,412	9,119,707	8,101,012
State fees and taxes	207	228	85,017
Trade shows and conventions	93,754	529,231	86,285
Travel expense	358,765	320,296	274,823
Total operating expenses	<u>15,004,770</u>	<u>14,495,188</u>	<u>13,633,893</u>
Income from operations	<u>1,881,343</u>	<u>641,677</u>	<u>2,360,708</u>
Other income (expense), net:			
Other income	109,500	-	-
Amortization	-	(352)	(471)
Interest income	38,288	12,494	12,634
Other income, net	<u>147,788</u>	<u>12,142</u>	<u>12,163</u>
Net Income	<u>\$ 2,029,131</u>	<u>\$ 653,819</u>	<u>\$ 2,372,871</u>

See accompanying notes to financial statements.



**Fyzical, LLC**  
Statements of Changes in Member's Deficit  
Years Ended December 31, 2024, 2023, and 2022

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	<u><b>Member's Deficit</b></u>
Balance December 31, 2021	\$ (14,033,203)
Distributions	(6,442,213)
Net income	<u>2,372,871</u>
Balance December 31, 2022	(18,102,545)
Distributions	(1,064,756)
Net income	<u>653,819</u>
Balance December 31, 2023	(18,513,482)
Distributions	(1,249,438)
Net income	<u>2,029,131</u>
Balance December 31, 2024	\$ <u><u>(17,733,789)</u></u>

See accompanying notes to financial statements.

**Fyzical, LLC**  
Statements of Cash Flows  
Years Ended December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:			
Net income	\$ 2,029,131	\$ 653,819	\$ 2,372,871
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization expense	-	352	471
Amortization of deferred commissions	856,515	663,178	753,374
Depreciation expense	412,644	361,036	309,195
Credit loss expense	90,173	100,970	190,911
Non-cash lease expense	(9,977)	18,747	9,640
Change in operating assets:			
Accounts receivable	(420,591)	(1,474,513)	(489,658)
Due from related parties	-	-	1,998,335
Deferred costs	(1,511,359)	(2,822,654)	(2,439,656)
Prepaid expenses and other current assets	(54,579)	59,936	(203,233)
Change in operating liabilities:			
Accounts payable	601,546	(136,756)	168,348
Accrued expenses	(477,585)	(94,905)	(174,933)
Deferred revenue	(1,196,430)	4,730,628	4,365,992
Sublease obligation	(13,506)	(12,909)	(13,720)
Total adjustments	(1,723,149)	1,393,110	4,475,066
Net cash provided by operating activities	<u>305,982</u>	<u>2,046,929</u>	<u>6,847,937</u>
Cash Flows from Investing Activities:			
Purchases of property and equipment	(360,971)	(635,385)	(438,130)
Credit extended to franchisees for franchise fees	(90,577)	(274,246)	(411,226)
Payments received on notes receivable	352,079	359,253	291,346
Net cash used in investing activities	<u>(99,469)</u>	<u>(550,378)</u>	<u>(558,010)</u>
Cash Flows from Financing Activities:			
Distributions to member	(1,249,438)	(1,064,756)	(6,442,213)
Payment to related party on note receivable	-	(750,000)	-
Payment from related party on note receivable	457,511	-	-
Net cash used in financing activities	<u>(791,927)</u>	<u>(1,814,756)</u>	<u>(6,442,213)</u>
Net change in cash	(585,414)	(318,205)	(152,286)
Cash - beginning of year	1,866,952	2,185,157	2,337,443
Cash - end of year	<u>\$ 1,281,538</u>	<u>\$ 1,866,952</u>	<u>\$ 2,185,157</u>

See accompanying notes to financial statements.

**Fyzical, LLC**  
Notes to Financial Statements  
December 31, 2024, 2023, and 2022

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**1. Organization and Nature of Operations**

Fyzical, LLC (the Company), a limited liability company, was organized under the laws of the State of Florida effective August 28, 2012, and converted to a limited liability company organized under the laws of the state of Delaware effective December 26, 2017. Fyzical, LLC was formed for the purpose of offering and selling Fyzical franchises for the right to establish and operate physical therapy and fitness businesses in the United States.

**2. Summary of Significant Accounting Policies**

**Financial Statements**

The financial statements and notes are representations of the Company's management who is responsible for their integrity and objectivity. The 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 and Assumptions**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These 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. Actual results could differ from those estimates and assumptions.

**Financial Instruments Not Measured at Fair Value**

The Company's financial instruments are not measured at fair value on a recurring basis but nevertheless certain financial instruments are recorded at amounts that approximate fair value due to their liquid or short-term nature. Such financial assets and financial liabilities include cash, accounts receivable, prepaid expenses and other current assets, accounts payable, and accrued expenses.

**Cash**

Cash represents amounts held in bank accounts.

**Accounts Receivable**

The Company's accounts receivable balance consists of royalties receivable from franchisees, short-term payment arrangements for franchise fees, and trade accounts receivable. Accounts receivable at December 31, 2024, 2023, and 2022 totaled \$3,831,983, \$3,541,905, and \$2,195,505, respectively. Management reviews all royalties and franchise fees receivable from franchisees and trade accounts receivables and determines whether an allowance for credit losses is necessary using historical loss information by aging category adjusted for current economic conditions and reasonable and supportable forecasts. Balances are charged off against the allowance account when management believes there is no possibility of recovery. Management determined that an allowance for credit losses was necessary in the amount of \$459,027, \$468,708 and \$257,266 at December 31, 2024, 2023 and 2022, respectively.

**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

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**2. Summary of Significant Accounting Policies (Continued)**

**Deferred Costs**

The Company capitalizes incremental costs of obtaining a contract with a customer when the Company expects to recover these costs and the costs otherwise would not have been incurred if the contract had not been obtained. Costs to obtain a contract which would have been incurred regardless of whether the contract was obtained are recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether a contract is obtained. These capitalized costs are shown as deferred costs on the balance sheets and are amortized over the term of the corresponding franchise agreement. At December 31, 2024, 2023, and 2022, deferred costs of sales commissions related to franchise revenues totaled \$6,924,337, \$6,269,493, and \$4,110,017, respectively. The Company recognized \$723,452, \$255,632, and \$778,374 in commission expense for the years ended December 31, 2024, 2023, and 2022, respectively.

**Notes Receivable and Credit Losses**

The Company's notes receivable consists of financing agreements between the Company and franchisees to finance the initial franchise investment (franchise fees). The agreements range from 12-60 months and carry interest rates between 0% and 12%. Management individually reviews all financing agreements with franchisees and determines whether an allowance for credit losses is necessary using historical loss information by aging category adjusted for current economic conditions and reasonable and supportable forecasts. Balances are charged off against the allowance when management believes there is no possibility of recovery. Management determined that an allowance for credit losses was necessary in the amount of \$57,695, \$98,035 and \$125,178 at December 31, 2024, 2023 and 2022, respectively. Credit loss expense for the years ended December 31, 2024, 2023, and 2022 was \$90,173, \$100,970, and \$190,911, respectively.

**Advertising Expense**

Advertising costs are expensed as incurred. Marketing and advertising expense charged to operations totaled \$1,525,477, \$1,353,288, and \$1,050,397 for the years ended December 31, 2024, 2023, and 2022, respectively.

**Intangible Assets**

Intangible assets consist of capitalized trademark costs. The intangible assets are amortized over their estimated useful life of 10 years.

**Property and Equipment**

Property and equipment are stated at cost at the date of acquisition. Expenditures that significantly add to the productivity or extend the useful lives of property and equipment are capitalized. Other expenditures for maintenance and repairs are charged to operations in the year the costs are incurred. Depreciation is provided for over the estimated service lives of the respective assets on a straight-line basis. A summary of estimated lives is as follows:

	<b>Years</b>
Computer and software	3-5
Furniture and fixtures	3-5
Machinery and equipment	5
Automobiles	5
Leasehold improvements	5-10

**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

**2. Summary of Significant Accounting Policies (Continued)**

**Revenue Recognition**

*Franchise Fees*

The Company sells franchise agreements throughout the United States. The related franchise fee is recorded upon completion of a franchise agreement contract. When the agreement is signed, the new franchisee must either pay the franchise fee in full, pay the franchise fee over a short-term payment arrangement, or place a percentage down and obtain financing for the remainder. The Company may finance the remainder in the form of promissory notes, which are shown as notes receivable on the balance sheets. The initial franchise fee is determined based on estimated market planning of the protected search area.

Per ASU 2014-09, *Revenue from Contracts with Customers*, management has identified two distinct performance obligations for the Company, which is to provide initial training for franchisees and to provide the Company's intellectual property to the franchisee over the term of the agreement. Franchise fee revenue is allocated between these two distinct performance obligations and recognized as income as each obligation is satisfied. The estimated stand-alone cost of the initial training provided is \$4,000. Initial training is recognized upon receipt of payment or financing via a promissory note as these services are typically provided within 30 days of the effective date of the franchise agreement. The remainder of the franchise fee is allocated to the performance obligation of providing intellectual property to the franchisee over the term of the agreement. This amount is deferred and amortized into revenue over the term of the franchise agreement, which is typically ten years.

Franchise fee revenues totaled \$6,225,873, \$5,485,361, and \$7,336,371 for the years ended December 31, 2024, 2023, and 2022, respectively. Deferred franchise fees totaled \$30,866,646, \$32,063,076, and \$27,332,448 at December 31, 2024, 2023, and 2022, respectively.

*Royalty Income*

Franchisees are contractually obligated to pay a portion of their monthly receipts to the Company. Royalty fees are calculated based on monthly financial information provided by the franchisees and are recognized in the period during which the underlying revenues are earned.

**Disaggregation of Revenue**

The Company presents disaggregated revenue based on the timing of transfer of goods and services. Disaggregated revenue consists of the following at December 31, 2024:

	<b>Franchise</b>		
<u>Timing of Revenue Recognition</u>	<u>Fees</u>	<u>Royalty</u>	<u>Total</u>
Services transferred at a point in time	\$ 204,000	\$ 10,660,240	\$ 10,864,240
Services transferred over time	6,021,873	-	6,021,873
	<u>\$ 6,225,873</u>	<u>\$ 10,660,240</u>	<u>\$ 16,886,113</u>

Disaggregated revenue consists of the following at December 31, 2023:

	<b>Franchise</b>		
<u>Timing of Revenue Recognition</u>	<u>Fees</u>	<u>Royalty</u>	<u>Total</u>
Services transferred at a point in time	\$ 292,000	\$ 9,651,504	\$ 9,943,504
Services transferred over time	5,193,361	-	5,193,361
	<u>\$ 5,485,361</u>	<u>\$ 9,651,504</u>	<u>\$ 15,136,865</u>

**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

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**2. Summary of Significant Accounting Policies (Continued)**

**Disaggregation of Revenue (Continued)**

Disaggregated revenue consists of the following at December 31, 2022:

	<b>Franchise</b>		
<u>Timing of Revenue Recognition</u>	<u>Fees</u>	<u>Royalty</u>	<u>Total</u>
Services transferred at a point in time	\$ 304,000	\$ 8,658,230	\$ 8,962,230
Services transferred over time	7,032,371	-	7,032,371
	<u>\$ 7,336,371</u>	<u>\$ 8,658,230</u>	<u>\$ 15,994,601</u>

**Income Taxes**

The Company is a limited liability company that has elected to be taxed as a partnership. All of the Company's taxable income or loss is allocated to the Members. Therefore, no provision or liability for income taxes has been included in the December 31, 2024, 2023, and 2022 financial statements.

Under the Income Taxes Topic of the FASB Accounting Standards Codification, the Company has reviewed and evaluated the relevant technical merits of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Company.

The Company files income tax returns in the U.S. federal jurisdiction and the state of Delaware. The tax periods open to examination by the Company's major taxing jurisdictions included fiscal years ended December 31, 2021 through December 31, 2024.

**Reclassifications**

To facilitate comparison of financial data, certain amounts in the 2022 financial statements have been reclassified to conform to the 2023 and 2024 reporting presentation. Such reclassifications had no effect on the net income previously reported.

**Leases**

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Company obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company recognizes most leases on its balance sheets as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the statements of operations.

**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

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**2. Summary of Significant Accounting Policies (Continued)**

**Leases (Continued)**

The Company made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or January 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. The Company's lease agreements do not provide a readily determinable implicit rate. Therefore, the Company estimates its incremental borrowing rate based on information available at lease commencement in order to discount lease payments to present value.

**3. Notes Receivable**

Notes receivable consist of various principal amounts in accordance with franchise agreements. These notes are payable in monthly installments ranging from 12 to 60-month terms and accrue annual interest between 0% and 12%. At December 31, 2024, 2023, and 2022, notes receivable totaled \$861,394, \$1,082,556, and \$1,140,420, respectively.

Principal amounts of notes receivable, net of allowance, are expected to be collected as follows for the year ending December 31, 2024:

2025	\$	678,534
2026		79,458
2027		57,040
2028		46,362
Notes receivable balance	\$	<u>861,394</u>

**4. Property and Equipment**

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Computer and software	\$ 2,094,496	\$ 1,748,511	\$ 1,301,559
Furniture and fixtures	414,729	414,729	351,857
Automobiles	44,970	42,170	23,467
Leasehold improvements	403,708	391,522	284,664
	<u>2,957,903</u>	<u>2,596,932</u>	<u>1,961,547</u>
Less: accumulated depreciation	<u>(1,931,554)</u>	<u>(1,518,910)</u>	<u>(1,157,874)</u>
	<u>\$ 1,026,349</u>	<u>\$ 1,078,022</u>	<u>\$ 803,673</u>

Depreciation expense for the years ended December 31, 2024, 2023, and 2022 was \$412,644, \$361,036, and \$309,195, respectively.

**5. Member's Deficit**

The Company is wholly owned subsidiary of Fyzical Buyer, LLC. The Company received capital contributions of \$0 during each of the years ended December 31, 2024, 2023, and 2022.

All member units issued are considered voting units. Fyzical, LLC's units held by the member totaled 1,000 during each of the years ended December 31, 2024, 2023, and 2022.

**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

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**5. Member's Deficit (Continued)**

Distributions are paid first to members who have made capital contributions equal to the amount of such member's capital contribution and thereafter to the members in proportion to their units at the time of the distribution. During the years ended December 31, 2024, 2023, and 2022, the Company distributed \$1,249,438, \$1,064,756, and \$6,442,213 to its member, respectively.

**6. Related Party Transactions**

During 2024, 2023, and 2022, the Company recognized \$155,463, \$155,463, and \$116,604 of franchise fee revenue, respectively, from three master franchise agreements sold to groups which included related parties of the Company.

In December 2019, the Company sold \$1,913,123 of notes receivable to a related party. The related party has recourse to the Company for failure of the underlying debtors to pay amounts contractually due if the underlying note is 60 days or more delinquent. Accordingly, a full reserve was established for any underlying notes 60 days delinquent in addition to any reserve calculated per the policies outlined in Note 2. The Company retained servicing responsibilities but does not receive servicing fees on the sold notes receivable. The notes were sold at their carrying value of outstanding principal due and therefore no gain or loss was recognized on the sale. At December 31, 2024, 2023, and 2022, the notes have weighted average maturity of 0, 0 and 9 months, a weighted average interest rate of 0%, 12% and 7%, principal outstanding of \$0, \$1,054 and \$62,862, and an allowance reserve of \$0, \$0, and \$0, respectively. The notes were collected in full during the year ended December 31, 2024.

Throughout the year, the Company will incur various costs and collect revenues on behalf of Fyzical Acquisition Holdings, LLC and Subsidiaries, and vice versa. These costs and revenues are then accounted for as contributions, distributions, or intercompany balances. As of December 31, 2024, 2023, and 2022, distributions relating to this activity totaled \$1,249,438, \$1,064,756, and \$6,442,213, respectively. The intercompany balance of \$1,998,335 was fully settled during the year ended December 31, 2022.

On January 26, 2023, a \$750,000 note receivable was advanced to an officer of the Company. The note has a term of 24 months, with an interest rate of 0%, and one balloon payment of the full \$750,000 balance due to the Company on January 26, 2025. The note is secured by two master franchise agreement territories owned by the officer. During the year ended December 31, 2024, a portion of the note was paid by the officer and as of December 31, 2024, 2023, and 2022, the balance of the note receivable was \$292,489, \$750,000, and \$0, respectively. Subsequent to year-end, the due date of the note was extended and is expected to be paid in the near term.

**7. Leases**

The Company leases two buildings under operating leases which expire on May 1, 2026 and June 1, 2027. During the year ended December 31, 2019, the Company entered into a sublease agreement for the entirety of area covered by one of the operating leases. The Company recorded the \$100,811 difference between the fair value of lease payments owed and the fair value of sublease payments due as a sublease liability on the balance sheets, with a resulting loss on sublease on the statement of operations. The Company continues to be responsible for performance under the lease until it expires on June 1, 2027.



**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

**7. Leases (Continued)**

Operating lease expenses are recognized on a straight-line basis over the lease term. The components of lease expenses are as follows for the years ended December 31:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Lease Expense:</b>			
Operating lease expense	\$ 341,481	\$ 313,125	\$ 298,285
Sublease income	(72,894)	(72,894)	(72,894)
Total lease expense	<u>\$ 268,587</u>	<u>\$ 240,231</u>	<u>\$ 225,391</u>

**Other Information:**

Operating cash flows from operating leases	\$ 278,609	\$ 234,407	\$ 216,314
ROU assets obtained in exchange for new operating lease liabilities	-	290,584	794,340
Weighted-average remaining lease term in years for operating leases	3.72	4.27	3.51
Weighted-average discount rate for operating leases	8.34%	8.07%	7.00%

**Maturity Analysis**

**Years Ended December 31,**

	<u>Operating Lease</u>	<u>Sublease Income</u>
2025	\$ 285,913	\$ 74,467
2026	162,863	76,701
2027	64,662	39,110
2028	57,608	-
2029	59,336	-
Thereafter	86,957	-
Total undiscounted cash flows	<u>717,339</u>	<u>\$ 190,278</u>
Less: present value discount	(117,335)	
Total lease liabilities	<u>\$ 600,004</u>	

The lease liabilities presented above do not include variable lease payments for common area maintenance, real estate taxes and insurance. These amounts are not fixed and can fluctuate from year to year.

**8. Commitments**

The assets of the Company are pledged as collateral to the credit facility of Fyzical Buyer, LLC.

**9. Concentrations of Credit Risk**

The Company maintains its cash with three financial institutions in accounts, which at times, may exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk on cash.

**Fyzical, LLC**  
Notes to Financial Statements (Continued)  
December 31, 2024, 2023, and 2022

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**10. Subsequent Events**

The Company has evaluated all events subsequent to the balance sheet date of December 31, 2024 through the date these financial statements were available to be issued, March 26, 2025, and has determined that, except as set forth below, there are no subsequent events that require disclosure under the FASB Accounting Standards Codification.

Subsequent to year-end, the due date of the note receivable from an officer of the Company was extended beyond January 26, 2025. The Company expects the balance to be paid in the near term.

**EXHIBIT C TO THE DISCLOSURE DOCUMENT**

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**DEVELOPMENT RIGHTS RIDER TO FRANCHISE AGREEMENT**

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**FYZICAL, LLC**  
**DEVELOPMENT RIGHTS RIDER TO FRANCHISE AGREEMENT**

**THIS DEVELOPMENT RIGHTS RIDER TO THE FRANCHISE AGREEMENT** (this “**Rider**”) is effective as of \_\_\_\_\_ (the “**Effective Date**”), regardless of the actual date of signature, by and between **FYZICAL, LLC**, a Delaware limited liability company, having its principal place of business at 1751 Mound Street, Suite 102, Sarasota, Florida 34236 (“**we**” or “**us**” or “**our**” or “**FYZICAL**”) and \_\_\_\_\_, an individual/partnership/corporation/limited liability company (circle one), established in the state of \_\_\_\_\_, and whose principal address is \_\_\_\_\_ (“**you**” or “**your**”). This Rider supplements the Franchise Agreement of even date herewith (the “**Agreement**”) by and between the parties.

1. **Incorporation and Precedence.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider governs, controls and supersedes any inconsistent or conflicting terms of the Agreement. Terms not otherwise defined in this Rider have the meanings defined in the Agreement.

2. **Grant of Development Rights.** Subject to your strict compliance with this Rider, we grant you the right to develop \_\_\_\_\_ ( ) FYZICAL ® Centers (including the FYZICAL ® Center covered by the Agreement), according to the mandatory development schedule described in Exhibit A to this Rider (the “**Schedule**”), within the following geographic area (the “**Development Territory**”):  
\_\_\_\_\_  
\_\_\_\_\_.

If you (and, to the extent applicable, your Approved Affiliates (defined in Section 3 below)) are fully complying with all of your (and their) obligations under this Rider, the Agreement, and all other franchise agreements then in effect between us and you (and, to the extent applicable, your Approved Affiliates) for the development and operation of FYZICAL ® Centers, then during this Rider’s term only, we (and our affiliates) will not establish and operate or grant to others the right to establish and operate FYZICAL ® Centers having their physical locations within the Development Territory.

The location exclusivity described above is the only restriction on our (and our affiliates’) activities within the Development Territory during the Rider’s term. You acknowledge and agree that we and our affiliates have the right to engage, and grant to others the right to engage, in any other activities of any nature whatsoever within the Development Territory, including, without limitation, those we reserve in the Agreement. After this Rider expires or is terminated (regardless of the reason for termination), we and our affiliates have the right, without any restrictions whatsoever, to (a) establish and operate, and grant to others the right to establish and operate, FYZICAL ® Centers having their physical locations within the Territory and (b) continue to engage, and grant to others the right to engage, in any other activities we (and our affiliates) desire within the Development Territory.

YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS RIDER, AND YOUR RIGHTS UNDER THIS RIDER ARE SUBJECT TO TERMINATION (WITHOUT ANY CURE OPPORTUNITY) IF YOU DO NOT COMPLY STRICTLY WITH THE DEVELOPMENT OBLIGATIONS PROVIDED IN THE SCHEDULE. WE MAY ENFORCE THIS RIDER STRICTLY.

3. **Development Obligations.** To maintain your rights under this Rider, you (and/or Approved Affiliates) must, by the dates specified in the Schedule, sign franchise agreements for and then construct, develop, and have open and operating within the Development Territory the agreed-upon minimum number of FYZICAL ® Centers. If your owners establish a new legal entity to operate one or more of the FYZICAL ® Centers to be

developed pursuant to this Rider and that new legal entity's ownership is completely identical to your ownership, that legal entity automatically will be considered an **"Approved Affiliate"** without further action. However, if the new legal entity's ownership is not completely identical to your ownership, you first must seek our approval for that new entity to develop and operate the proposed Center as an Approved Affiliate. We may refuse any such request if you and/or your owners do not (a) own and control at least two-thirds of the new entity's ownership interests and (b) have the authority to exercise voting and management control of the Center proposed to be owned by the new entity.

You (and/or your Approved Affiliates) will operate each FYZICAL ® Center under a separate franchise agreement with us. The franchise agreement (and related documents, including Owner's Guaranty) that you and your owners (or your Approved Affiliate and its owners) must sign for each Center developed pursuant to this Rider will be our then-current form of franchise agreement (and related documents, including Owner's Guaranty), any or all terms of which may differ substantially and materially from any or all terms contained in the Agreement, provided, however, that the Royalty Fee specified under our then-current form of franchise agreement will (if different) be modified for the initial franchise term for each new Center to be a maximum of 3.9% of Gross Revenue unless you (and your Approved Affiliates) are not then in full compliance with this Rider and all other franchise agreements then in effect between us and you (and your Approved Affiliates) for FYZICAL ® Centers. If you (and your Approved Affiliates) are not then in full compliance with this Rider and all other franchise agreements then in effect between us and you (and your Approved Affiliates) for FYZICAL ® Centers, then the Royalty Fee specified under our then-current form of franchise agreement will not be modified for the initial franchise term of the new FYZICAL ® Centers, and the Royalty Fee for any of the already open FYZICAL ® Centers developed pursuant to this Rider will revert to the un-modified Royalty Fee in our form of franchise agreement in effect at the time the franchise agreement(s) for the already open Center(s) was executed.

Despite any contrary provision contained in the newly-signed franchise agreements, your (and your Approved Affiliates) additional FYZICAL ® Centers within the Development Territory must be open and operating by the dates specified in the Schedule. To retain your rights under this Rider, each FYZICAL ® Center opened pursuant to this Rider must operate continuously throughout this Rider's term in full compliance with its franchise agreement.

4. **Subfranchising and Sublicensing Rights.** This Rider does not give you any right to franchise, license, subfranchise, or sublicense others to develop and operate FYZICAL ® Centers. Only you (and/or your Approved Affiliates) may construct, develop, open, and operate FYZICAL ® Centers pursuant to this Rider. This Rider also does not give you (or your Approved Affiliates) any independent right to use the FYZICAL ® trademark or our other trademarks and commercial symbols. The right to use our trademarks and commercial symbols is granted only under a franchise agreement signed directly with us. This Rider only grants you potential development rights if you fully comply with its terms.

5. **Development Fee.** As consideration for the development rights we grant you in this Rider, you must pay us when you sign this Rider a total of \_\_\_\_\_ Dollars (\$) (the **"Development Fee"**), which equals Forty-Nine Thousand Dollars (\$49,000) for each FYZICAL ® Center you agree to construct, develop and operate pursuant to this Rider, including the first Center covered by the Agreement. The Development Fee is consideration for the rights we grant you in this Rider and for reserving the Development Territory for you to the exclusion of others (except as provided in this Rider) while you are in compliance, is fully earned by us when we and you sign this Rider, and is not refundable under any circumstances, even if you do not comply or attempt to comply with the Schedule and we then terminate this Rider for that reason.

While the Development Fee is not refundable under any circumstances, each time you (or your Approved Affiliate) sign a franchise agreement for a FYZICAL ® Center to be developed within the Development Territory

(including the first Center covered by the Agreement), we will apply Forty-Nine Thousand Dollars (\$49,000) from the Development Fee to satisfy the initial franchise fee due for that Center.

6. **Modified Royalty Fee.** For so long as you (and your Approved Affiliates) are in full compliance with this Rider and all other franchise agreements then in effect between us and you (and your Approved Affiliates) for FYZICAL ® Centers, then the Royalty Fee that you are obligated to pay for each Center developed pursuant to this Rider will be reduced to a maximum of 3.9% of Gross Revenue per month. The Minimum Guaranteed Royalty per month specified in the Agreement will remain in effect. If you (and your Approved Affiliates) fail to remain in compliance with this Rider and all other franchise agreements then in effect between us and you (and your Approved Affiliates) for FYZICAL ® Centers, then the Royalty Fee for any of the already open FYZICAL ® Centers developed pursuant to this Rider will revert to the un-modified Royalty Fee specified in the franchise agreement for each Center, for the remainder of the term of each franchise agreement.

7. **Grant of Franchises.** You must identify an Approved Location within the geographic boundaries of the Development Territory for each FYZICAL ® Center that you (or your Approved Affiliate) wish to develop in the Development Territory, and seek our written approval of such Approved Location. The Approved Location must conform to our then-current minimum site selection criteria for demographic characteristics, traffic patterns, parking, signage, character of neighborhood, competition from and proximity to other businesses, the size, appearance and other physical characteristics of the proposed site, and any other factors or characteristics that we consider appropriate. Our criteria, and our evaluation of them, may vary from periodically and from location to location. You agree to send us a complete site report (containing the demographic, commercial and other information, photographs and video recordings that we may reasonably require) for your proposed site. We have the right to accept or reject all proposed sites for your Centers in our commercially reasonable judgment. We will use our best efforts to approve or disapprove a proposed site within 15 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 15-day period.

You must also deliver to us for our approval, which we will not unreasonably withhold, copies of the proposed lease agreement and related documents for each Approved Location before signing them. You agree not to sign any lease agreement or related documents unless we have approved them.

You (or your Approved Affiliate) must sign a franchise agreement for a new Center to be developed under this Rider in advance of beginning the site selection process for that Center. We will not accept a proposed site if you (or your Approved Affiliate) have not yet signed a franchise agreement for that Center. If you (or your Approved Affiliate) fail to obtain lawful possession of the Approved Location, we may withdraw our acceptance of the proposed site and exercise any of our other rights under this Rider. After you and your owners (or your Approved Affiliate and its owners) sign the franchise agreement (and related documents, including Owner's Guaranty), its terms and conditions will control the construction, development and operation of the FYZICAL ® Center (except that the required opening date is governed exclusively by the Schedule in this Rider, provided in Section 3 above, and the Royalty Fee is governed by Section 6 of this Rider).

In addition to our rights with respect to proposed FYZICAL ® Center sites, we may delay your development and/or opening of additional FYZICAL ® Centers within the Development Territory for the time period we deem best if we believe in our sole judgment, when you submit your application for another Center, or after you (or your Approved Affiliate) have developed and constructed but not yet opened a particular Center, that you (or your Approved Affiliate) are not yet operationally, managerially, or otherwise prepared (no matter the reason) to develop, open, and/or operate the additional FYZICAL ® Center in full compliance with our standards and specifications. We may delay additional development and/or a Center's opening for the time period we deem best as long as the delay will not in our reasonable opinion cause you to breach your development

obligations under the Schedule (unless we are willing to extend the Schedule proportionally to account for the delay).

8. **Term.** This Rider's term begins on the date we sign it and ends on the date when (a) you (or your Approved Affiliate) open for business the final FYZICAL ® Center to be developed under the Schedule, or (b) this Rider is otherwise terminated, but in any event this Rider's term will end no later than the date by which the last Center must be opened pursuant to the Schedule. Notwithstanding the foregoing, Section 6 of this Rider will survive the termination of this Rider for so long as you (and your Approved Affiliates) remain in full compliance with this Rider and all other franchise agreements then in effect between us and you (and your Approved Affiliates) for FYZICAL ® Centers.

9. **Termination.** We may at any time terminate this Rider and your rights under this Rider to develop FYZICAL ® Centers within the Development Territory, such termination to be effective upon our delivery to you of written notice of termination:

- (a) if you fail to satisfy your development obligations under the Schedule, which default you have no right to cure;
- (b) if you fail to satisfy any other obligation under this Rider, which default you have no right to cure;
- (c) if the Agreement, or another franchise agreement between us and you (or your Approved Affiliate) for a FYZICAL ® Center, is terminated by us in compliance with its terms or by you (or your Approved Affiliate) for any (or no) reason; or
- (d) if we have delivered a formal written notice of default to you (or your Approved Affiliate) under the Agreement, or another franchise agreement between us and you (or your Approved Affiliate) for a FYZICAL ® Center, and you (or your Approved Affiliate) fail to cure that default within the required timeframe.

No portion of the Development Fee is refundable upon termination of this Rider or under any other circumstances. If we terminate this Rider because you fail to satisfy your development obligations under the Schedule, we will keep the Development Fee (which is not refundable) but otherwise will not seek to recover damages from you due solely to your failure to comply with the Schedule.

Termination of this Rider under clauses (a), (b), (c), or (d) above is not deemed to be the termination of any franchise rights (even though this Rider is attached to the Agreement) because this Rider grants you no separate franchise rights. Franchise rights arise only under franchise agreements signed directly with us. Termination of this Rider does not affect any franchise rights granted under any then-effective individual franchise agreements.

10. **Assignment.** Your development rights under this Rider are not assignable at all. This means we will not under any circumstances allow the development rights to be transferred. A transfer of development rights would be deemed to occur (and would be prohibited) if there is an assignment of the Agreement, a transfer of a controlling ownership interest in you, a transfer of this Rider separate and apart from the Agreement, or any other event attempting to assign the development rights. An assignment of only a non-controlling ownership interest in you is permitted (and would not be deemed to be a transfer of your development rights) to the extent permitted by the terms and conditions of the Agreement.

11. **Rider to Control.** Except as provided in this Rider, the Agreement remains in full force and effect as originally written. If there is any inconsistency between the Agreement and this Rider, this Rider's terms will control.

**FYZICAL, LLC**

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

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

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

**FRANCHISEE**

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

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

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



**EXHIBIT A TO DEVELOPMENT RIGHTS RIDER**  
**("Schedule")**

You agree to develop and open \_\_\_\_\_ (\_\_) FYZICAL® Centers in the Development Territory, including the Center that is the subject of the first Agreement, according to the following Schedule:

Center Number	Franchise Agreement to be Signed by Franchisee (or Approved Affiliate) by [Date]	Date by which Center must be Opened ("Opening Deadline")	Minimum Cumulative Number of New Franchised FYZICAL® Centers to be Open and Operating in Development Territory No Later than Opening Deadline
1	Concurrently with this Development Rights Rider		1
2			2
3			3
4			4
5			5

**EXHIBIT D TO THE DISCLOSURE DOCUMENT**

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**CONVERSION ADDENDUM TO FRANCHISE AGREEMENT**

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**FYZICAL, LLC**  
**CONVERSION ADDENDUM TO FRANCHISE AGREEMENT**

**THIS CONVERSION ADDENDUM TO THE FRANCHISE AGREEMENT** (this “Addendum”) is effective as of \_\_\_\_\_ (the “**Effective Date**”), regardless of the actual date of signature, by and between **FYZICAL, LLC**, a Delaware limited liability company, having its principal place of business at 1751 Mound Street, Suite 102, Sarasota, Florida 34236 (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, an individual/partnership/corporation/limited liability company (circle one), established in the state of \_\_\_\_\_, and whose principal address is \_\_\_\_\_ (“**you**” or “**your**”). This Addendum supplements the Franchise Agreement of even date herewith (the “**Agreement**”) by and between the parties.

1. **Incorporation and Precedence.** This Addendum is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Addendum governs, controls and supersedes any inconsistent or conflicting terms of the Agreement. Terms not otherwise defined in this Addendum have the meanings as defined in the Agreement.

2. **Conversion Program.** You have applied to become a FYZICAL® Center franchisee under our conversion program, and we have agreed to award a franchise to you for the operation of a Conversion Center. Since the conversion program differs (as detailed in this Addendum) from the standard franchise program, the parties are signing this Addendum to properly detail the features of the conversion program and how the relationship between the parties differs from the standard FYZICAL® franchise agreement. Prior to acquiring the franchise, you operated a physical therapy business or wellness center known as \_\_\_\_\_ (the “**Existing Business**”). The Existing Business is located at \_\_\_\_\_ (the “**Existing Premises**”). You desire to convert the operation of the Existing Business to a FYZICAL® Center. You will convert your Existing Business into a FYZICAL® Center and operate your FYZICAL® Center from the Existing Premises.

3. **Approved Location / Site.** We approve the existing location of the Existing Business as the Approved Location.

4. **Use of Existing Equipment and Systems.** As a special accommodation to you, we agree that you will utilize various information systems, software systems, accounting, billing and collection systems, procedures and equipment currently in use by the Existing Business (the “**Existing Equipment and Systems**”) provided that:

(a) your use of the Existing Equipment and Systems does not unreasonably interfere with the FYZICAL® System;

(b) your use of the Existing Equipment and Systems continues to meet our specifications and standards, which we may modify, change or amend from time to time; and

(c) In the event we require you to cease, modify, change or amend your use of the Existing Equipment and Systems, you will have 30 days to comply; provided, however, if we require you to make any such change to its use of the Existing Equipment and Systems and such change requires you to make a capital expenditure greater than \$20,000 within any 12-month period, you will be given 90 days to make such changes.

5. **Opening Date.** Notwithstanding anything to the contrary contained in the Agreement, you must open your FYZICAL® Center to the public within 45 days from the Effective Date of the Agreement. For purposes of Section 3.3 of the Agreement (Minimum Performance Standards) and Section 13.4 of the Agreement (Royalty Commencement Date), the “**Opening Date**” shall mean the earlier to occur of: (a) the actual opening date of your FYZICAL® Center or (b) 45 days from the Effective Date of the Agreement

6. **Rights and Duties of Parties Upon Termination.** Your obligation to immediately turn over to us all of our confidential and proprietary information, including all copies of them, as required by Section 21 of the Agreement, will not include the client lists, files, records, agreements, disclosure statements and other business information relating solely to the Existing Business that are separate from that of your FYZICAL® Center; provided, however, that if you have commingled such information, then all will be made available to us.

7. **Existing Client Lists.** Client lists generated by you prior to the Effective Date will remain your property, except that any new or existing client lists that are generated, distilled, modified or improved in connection with the operation of your FYZICAL® Center will be the joint property of both us and you. You will deliver copies to us at any time, on request.

8. **Post-Term Covenant Not to Compete.** Notwithstanding Section 14.4 of the Agreement, upon expiration, termination or Transfer of the Agreement, you may, at your option, pay us an amount equal to the aggregate Royalty fees for your FYZICAL™ Center for the trailing 24-month period preceding the date of the expiration, termination or Transfer, in which case the post-term competitive restrictions in Section 14.4 of the Agreement will not apply and will be cancelled.

9. **Transfers.** If there is a transfer of the franchise and the Agreement pursuant to Section 19.2 of the Agreement, then this Addendum will automatically be canceled.

10. **Termination.** If for any reason the Agreement terminates or expires, all of your rights under this Addendum also end, effective as of the same date of termination or expiration of the Agreement.

Intending to be bound, the parties sign and deliver this Addendum as of the Effective Date, regardless of the actual date of signature.

**FYZICAL, LLC**

a Delaware limited liability company

\_\_\_\_\_  
(Name of entity, if applicable)

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT E TO THE DISCLOSURE DOCUMENT**

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**OF**  
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<b>RESULTS BEGIN WHEN YOUR PATIENT ARRIVES</b>		
Manual Section	Beginning Page	Number of Pages
Step 1	1	3
Step 2	4	3
Step 3	7	11
Step 4	18	1
Step 5	19	1
Step 6	20	2
Step 7	22	1

<b>Step 8</b>	23	3
<b>Step 9</b>	26	1
<b>Step 10</b>	27	3
<b>Appendices</b>	30	59
<b>TOTAL NUMBER OF PAGES</b>		<b>89</b>

**EXHIBIT F TO THE DISCLOSURE DOCUMENT**

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**LIST OF STATE AGENCIES/AGENTS  
FOR SERVICE OF PROCESS**

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Our registered agent for service of process in Delaware is:

Corporation Service Company  
251 Little Falls Drive  
Wilmington, Delaware 19808

Our registered agent for service in Florida is:

Cross Street Corporate Services, Inc.  
200 South Orange Avenue  
Sarasota, Florida 34236

## **STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

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

### **CALIFORNIA**

(agent for service of process)

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

#### ***Los Angeles***

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

#### ***Sacramento***

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

#### ***San Diego***

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

#### ***San Francisco***

One Sansome Street, Ste. 600  
San Francisco, California 94104  
(415) 972-8559

### **HAWAII**

(state administrator)

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

Commissioner of Securities of the  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 205  
Honolulu, Hawaii 96813  
(808) 586-2722

### **ILLINOIS**

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

### **INDIANA**

(state administrator)

Indiana Secretary of State  
Securities Division, E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

(agent for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

## **MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner  
at the Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

## **MICHIGAN**

(state administrator)

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
(517) 373-7177

(agent for service of process)

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

## **MINNESOTA**

(state administrator)

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

(agent for service of process)

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

## **NEW YORK**

(state administrator)

Office of the New York State Attorney General  
Investor Protection Bureau  
Franchise Section  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8236

(agent for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6th Floor  
Albany, NY 12231-0001  
(518) 473-2492

## **NORTH DAKOTA**

(state administrator)

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol - Fifth Floor  
Bismarck, North Dakota 58505  
(701) 328-4712

(agent for service of process)

Securities Commissioner  
600 East Boulevard Avenue  
State Capitol - Fifth Floor  
Bismarck, North Dakota 58505  
(701) 328-4712

## **OREGON**

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

## **RHODE ISLAND**

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

## **SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

## **VIRGINIA**

(state administrator)

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

(agent for service of process)

Clerk, State Corporation Commission  
1300 East Main Street, First Floor  
Richmond, Virginia 23219  
(804) 371-9733

## **WASHINGTON**

(state administrator)

Washington Dept. of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

(agent for service of process)

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

## **WISCONSIN**

(state administrator)

Securities and Franchise Registration  
Wisconsin Department of Financial Institutions  
4022 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-1064

(agent for service of process)

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



**EXHIBIT G TO THE DISCLOSURE DOCUMENT**

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**STATE SPECIFIC ADDENDA AND RIDERS**

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**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF CALIFORNIA**

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

2. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A FRANCHISE DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION & INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

3. OUR WEBSITES, [www.fyzical.com](http://www.fyzical.com) AND [www.fyzicalfranchise.com](http://www.fyzicalfranchise.com), HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

4. The following is added at the end of Item 3 of the Disclosure Document:

Neither we, our parent, or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

5. The following is added at the end of Item 6 of the Disclosure Document:

The highest rate of interest allowed by California law is 10% annually.

6. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees concerning termination or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

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

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the respective agreement. These provisions may not be enforceable under California law.

The Franchise Agreement requires application of the laws of the State of Florida with certain exceptions. These provisions may not be enforceable under California law.

The Franchise Agreement requires you to sign a general release of claims on 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 might void a waiver of your

rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

7. The following is added at the end of Item 19 of the Disclosure Document:

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

8. In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

No disclaimer, questionnaire, clause, or statement signed by a franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory, or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. Any statements or representations signed by a franchisee purporting to understand any fact or its legal effect shall be deemed made only based upon the franchisee's understanding of the law and facts as of the time of the franchisee's investment decision. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF HAWAII**

1. The following is added to the Cover Page:

**THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

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

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

2. The following is added to the end of Items 5 & 7:

The Hawaii Commissioner of Securities requires us to defer collection of the initial franchise fee and other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you have begun operating your FYZICAL® Center.

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF ILLINOIS**

1. The following is added to Item 17:

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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.

2. Pursuant to an order of the Office of the Illinois Attorney General, imposed based on our financial condition, we will, within 48 hours after we receive them, deposit all initial fees and payments received from you into an escrow account with Bank of America. These fees will remain in escrow until we apply for and obtain their release. We will apply for the release of these funds after you have opened your Center. A copy of the executed Escrow Agreement entered into with Bank of America is on file with the Office of the Illinois Attorney General.

3. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

4. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud or the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT AND DEVELOPMENT RIGHTS RIDER  
FOR USE IN ILLINOIS**

This Rider is entered into this \_\_\_\_\_ (the “**Effective Date**”), between **FYZICAL, LLC**, a limited liability company (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”) and the Development Rights Rider to Franchise Agreement dated as of the Effective Date (the “**Development Rights Rider**”). This Rider is being signed because (a) any of the offering or sales activity relating to the Agreement or Development Rights Rider occurred in Illinois and the FYZICAL Center that you will operate under the Agreement or Development Rights Rider will be located in Illinois, and/or (b) you are domiciled in Illinois.

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement and the Development Rights Rider. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Illinois Law.** Illinois law shall apply to and govern the Agreement and Development Rights Rider.

3. **Initial Franchise Fees.** The following is added to the end of Section 13.1 (“Initial Franchise Fee”) of the Agreement and the end of Section 5 (“Development Fee”) of the Development Rights Rider:

Pursuant to an order of the Office of the Illinois Attorney General, imposed based on our financial condition, we will, within 48 hours after we receive them, deposit all initial fees and payments received from you into an escrow account with Bank of America. These fees will remain in escrow until we apply for and obtain their release. We will apply for the release of these funds after you have opened your Center. A copy of the executed Escrow Agreement entered into with Bank of America is on file with the Office of the Illinois Attorney General.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

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.

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.

*[Signature page follows]*

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

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

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

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

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

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

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

(If Individual(s)):

Sign: \_\_\_\_\_

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

Sign: \_\_\_\_\_

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

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF MARYLAND**

1. The following is added to the end of the “Summary” sections of Item 17(c), entitled Requirements for franchisee to renew or extend, and Item 17(m), entitled Conditions for franchisor approval of transfer:

However, under COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the “Summary” section of Item 17(h), entitled “Cause defined – non-curable defaults”:

The Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

3. The “Summary” sections of Item 17(v), entitled Choice of forum, and 17(w), entitled Choice of law, are amended to add the following:

,except that you may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of the table in Item 17:

Despite any contradicting provision in the Franchise Agreement, you have 3 years from the date on which we grant you the franchise to bring a claim under the Maryland Franchise Registration and Disclosure Law.



**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

This Rider is entered into this \_\_\_\_\_ (the “**Effective Date**”), between **FYZICAL, LLC**, a limited liability company (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the FYZICAL Center that you will operate under the Agreement will be located in Maryland.

2. **General Releases.** The following is added to the end of Section 4.2 and Section 19.2 of the Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Bankruptcy Termination.** The following is added to Section 20.2(f) of the Agreement:

; however, we and you acknowledge that certain aspects of this provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **Jurisdiction and Limitation of Claims.** The following is added to the end of Section 22 of the Agreement:

Notwithstanding the foregoing, (a) you may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law and (b) the foregoing limitation of claims shall not act to reduce the 3-year statute of limitations afforded you for bringing a claim under the Maryland Franchise Registration and Disclosure Law.

5. **Non-Waiver.** The following is added to the end of Section 23 of the Agreement:

To the extent so required by applicable law, these acknowledgments are not intended to act, nor shall they act, as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. **Governing Law.** Section 24.1 of the Agreement is deleted and replaced with the following:

24.1 **Governing Law.** Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Agreement and the franchise relationship shall be governed by the laws of the State of Florida (without reference to its principles of conflicts of law), but (a) any law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (b) to the extent required by applicable law, Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
(If Individual(s)):

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**ATTACHMENT "A"**  
**ADDENDUM**  
**TO FRANCHISE DISCLOSURE DOCUMENT FOR**  
**FYZICAL, LLC**

**STATE OF MINNESOTA**

The following is added to the end of the table in Item 17 of the Disclosure Document:

Minnesota law provides you with certain termination and non-renewal rights. Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 require, except in certain specified cases, that (1) you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and 180 days' notice for non-renewal of the Franchise Agreement and (2) consent to the transfer of the franchise will not be unreasonably withheld.

According to Minn. Stat. 80C.12 Subd. 1(G), it is unfair to not protect the franchisee's right to use the trademarks. Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or Franchise Agreement can abrogate or reduce (1) any of your rights as provided for in Minnesota Statutes 1984, Chapter 80C, or (2) your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulations or provision in the Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

As stated in Minn. Rule 2860.4400J, you are not required to consent to the franchisor obtaining injunctive relief. We may seek injunctive relief, but a court will determine if a bond is required.

Any release as a condition of renewal and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

Under Minnesota Statute 80C.17 Subd. 5, no action may be commenced pursuant to the Minnesota franchise statute more than 3 years after the cause of action accrues.

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.

**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

This Rider is entered into this \_\_\_\_\_ (the “Effective Date”), between **FYZICAL, LLC**, a limited liability company (“we” or “us” or “our” or “Fyzical”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“you” or “your”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “Agreement”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. This Rider is annexed to and forms part of the Agreement. This Rider is being signed because (a) the FYZICAL Center that you will operate under the Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in Minnesota.

2. **Waiver of Trial by Jury.** To the extent required by the Minnesota Franchises Law, provisions of the Agreement that require waiver of any party’s right to trial by jury are deleted in their entirety.

3. **Renewal and Termination.** We will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that (1) you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement, and (2) consent to the transfer of the franchise will not be unreasonably withheld.

4. **Release.** Any release required as a condition of renewal, sale and/or assignment/transfer of your Center will not apply to the extent prohibited by Minnesota Rules 2860.4400(D).

5. **Notice of Infringement of Claims.** The following is added to Section 17.6 of the Agreement “Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).”

6. **Breach of Covenants.** Section 14.8 to the Agreement is deleted and replaced with the following:

**Breach of Covenants.** You and the Owners agree that failure to comply with the terms of this Section 14 will cause substantial and irreparable damage to us and/or other FYZICAL® Center franchisees for which there is no adequate remedy at law. Therefore, you and the Owners agree that any violation of the terms of this Section 14 will entitle us to injunctive relief. We may apply for such injunctive relief, upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction, will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). A court will determine if a bond is required. None of the remedies available to us under this Agreement are exclusive of any other, but may be combined with others under this Agreement, or at law or in equity, including injunctive relief, specific performance and recovery of monetary damages. Any claim, defense or cause of action that you or an Owner may have against

us, regardless of cause or origin, cannot be used as a defense against our enforcement of this Section 14. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable by reducing any part or all of it, you and we agree that such 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.

As stated in Minn. Rule 2860.4400J, you are not required to consent to the franchisor obtaining injunctive relief. We may seek injunctive relief, but a court will determine if a bond is required.

7. **Trademarks.** The following is added to the end of Section 17 of the Agreement:

According to Minn. Stat. 80C.12 Subd. 1(G), it is unfair to not protect the franchisee's right to use the trademarks. Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the Marks or indemnify you from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the Marks.

8. **Limitation on Claims.** The following is added to the end of Section 22 of the Agreement:

Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 Subd. 5 more than 3 years after the cause of action accrues.

9. **Governing Law & Consent to Jurisdiction.** The following statement is added at the end of Section 24.1 of the Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us, except in certain specified cases, from requiring litigation to be conducted outside Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes, Chapter 80C or your right to any procedure, forum, or remedies that the laws of the jurisdiction provide.

10. **Anti-Waiver.** 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.

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

*[Signature page follows]*

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

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

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

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

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

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

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

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

(If Individual(s)):

Sign:

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

Sign:

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

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF NEW YORK**

1. The following paragraphs are added to the state cover page of the Franchise Disclosure Document:

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT F OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, INVESTOR PROTECTION BUREAU, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.**

**WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

2. The following is added at the end of Item 3:

Except as provided above, with regard to us, our predecessor, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our *principal trademark*:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations. In addition, no such party has civil actions pending against that party, 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. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices; or comparable allegations.

C. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective

order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Except as provided above, with regard to us, our affiliate, our predecessor, officers or general partners, or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document, no such party, has during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; or (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to Item 5:

The initial fee will be used to provide to provide our services to a franchisee prior to such franchisee's business opening, including required training to a franchisee (or its Operating Principal) and its Clinical Director as well as optional training to its lead physical therapist, lead physical therapy assistant, office manager and billing specialist.

5. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following is added to the end of the "Summary" section of Item 17(j), entitled "Assignment of contract by franchisor":

No assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

7. The following is added to the end of the "Summary" sections of Item 17(v), entitled "Choice of forum," and Item 17(w), entitled "Choice of law:"

However, the governing choice of law and choice of forum should not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.



**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN NEW YORK**

This Rider is entered into this \_\_\_\_\_ (the “**Effective Date**”), between **FYZICAL, LLC**, a limited liability company (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the FYZICAL Center that you will operate under the Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Agreement occurred in New York.

2. **General Releases.** The following language is added to the end of Sections 4.2 and 19.2 of the Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **Transfer by Us.** The following language is added to the end of Section 19.1 of the Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **Termination of Agreement by You.** The following language is added to the end of Section 20.1 of the Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **Governing Law; Consent to Jurisdiction.** The following statement is added to the end of Section 22 of the Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

*[Signature page to follow]*

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

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

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

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

\_\_\_\_\_

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

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

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

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

\_\_\_\_\_

(If Individual(s)):

Sign:

Print

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

Sign:

Print

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

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF NORTH DAKOTA**

1. The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. The following is added to the end of the “Summary” section of Item 17(r), entitled “Non-competition covenants after the franchise is terminated or expires”:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

3. The “Summary” section of Item 17(v), entitled “Choice of forum,” is deleted and replaced with the following:

Litigation must be exclusively in the state or federal court which is closest to our then-current principal place of business is located (currently Sarasota, Florida), except that, to the extent required by North Dakota Franchise Investment Law you may bring an action in North Dakota.

4. The “Summary” section of Item 17(w), entitled “Choice of law,” is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the State of Florida will apply.

**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

This Rider is entered into this \_\_\_\_\_, (the “**Effective Date**”), between **FYZICAL, LLC**, a limited liability company (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the FYZICAL Center that you will operate under the Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Agreement occurred in North Dakota.

2. **General Releases.** The following language is added to the end of Sections 4.2 and 19.2 of the Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **Restrictive Covenants.** Covenants not to compete, such as those mentioned in Section 14.3 and Section 14.4, are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **Jurisdiction, Limitation on Claims, and Waiver of Jury Trial.** The following language is added to the end of Section 22:

Notwithstanding the foregoing, (a) the statutes of limitation under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law and (b) to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law. To the extent required by the North Dakota Franchise Investment Law, the portion of Section 22 waiving trial by jury is deleted.

5. **Governing Law.** Section 24.1 of the Agreement is deleted and replaced with the following:

Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), and except as otherwise required by North Dakota law, this Agreement and the franchise relationship shall be governed by the laws of the State of Florida (without reference to its principles of conflicts of law), but any law of the State of Florida that regulates the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

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

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

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

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

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

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

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

(If Individual(s)):

Sign: \_\_\_\_\_

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

Sign: \_\_\_\_\_

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

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF RHODE ISLAND**

The following sentence is added to Item 17(v) and 17(w):

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

**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

This Rider is entered into this \_\_\_\_\_ (the “Effective Date”), between **FYZICAL, LLC**, a limited liability company (“we” or “us” or “our” or “Fyzical”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“you” or “your”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “Agreement”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the FYZICAL Center that you will operate under the Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Agreement occurred in Rhode Island.

2. **Rhode Island Law.** The following language is added to Section 22 and 24.1 of the Agreement:

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

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(If Individual(s)):

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF VIRGINIA**

1. The following language is added at the end of the “Special Risks to Consider About *This Franchise*” page:

**Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$64,250 to \$519,100. This amount exceeds the franchisor’s member’s equity as of December 31, 2024, which is (\$17,733,789).

2. The following language is added to the end of the “Summary” section of Item 17(e), entitled “Termination by franchisor without cause”:

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

3. The following language is added to the end of Item 5:

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 you to us until we have completed our pre-opening obligations under the Franchise Agreement.



**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN VIRGINIA**

This Rider is entered into this \_\_\_\_\_ (the “**Effective Date**”), between **FYZICAL, LLC**, a limited liability company (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”) and amends the Franchise Agreement between the parties dated as of the Effective Date, (the “**Agreement**”).

1. **Precedence and Defined Terms**. This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Fee Deferral**. 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 you to us until we have completed our pre-opening obligations under the Franchise Agreement.

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
[Business Entity Name]

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(If Individual(s)):

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**RIDER TO  
FYZICAL, LLC  
DEVELOPMENT RIGHTS RIDER  
FOR USE IN VIRGINIA**

This Rider is entered into this \_\_\_\_\_ (the “**Effective Date**”), between **FYZICAL, LLC**, a limited liability company (“**we**” or “**us**” or “**our**” or “**Fyzical**”) and \_\_\_\_\_, a(n) \_\_\_\_\_ (“**you**” or “**your**”) and amends the Franchise Agreement between the parties dated as of the Effective Date (the “**Agreement**”) and the Development Rights Rider to Franchise Agreement dated as of the Effective Date (the “**Development Rights Rider**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement and the Development Rights Rider. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement.

2. **Fee Deferral.** The Virginia State Corporation Commission’s Division of Securities and Retail Franchising, requires us to defer payment of the initial development fee owed by you to us until we have completed our pre-opening obligations under the Development Rights Rider.

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
*[Business Entity Name]*

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(If Individual(s)):

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**ADDENDUM  
TO FRANCHISE DISCLOSURE DOCUMENT FOR  
FYZICAL, LLC**

**STATE OF WASHINGTON**

The following is added to Item 17 of the Disclosure Document:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the “Act”) will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us, 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 us, 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 Act, in the State of Washington.

A release or waiver of rights executed by a franchisee may not include rights under the 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 the State of 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.

All initial franchise fees shall be deposited into an escrow account meeting the conditions of WAC 460-80-400 through -450. The funds in the escrow account may not be released except upon written authorization of the Administrator.

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.

**RIDER TO  
FYZICAL, LLC  
FRANCHISE AGREEMENT  
FOR USE IN WASHINGTON**

**THIS RIDER** (the “**Rider**”) is effective as of \_\_\_\_\_ (the “**Agreement Date**”), and amends the Franchise Agreement dated \_\_\_\_\_ (the “**Agreement**”), between **FYZICAL, LLC** (“**we**,” “**us**,” “**our**” or the “**Franchisor**”) and \_\_\_\_\_ (“**you**,” “**your**” or the “**Franchisee**”).

1. **Precedence and Defined Terms.** This Rider is an integral part of, and is incorporated into, the Agreement. Nevertheless, this Rider supersedes any inconsistent or conflicting provisions of the Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the FYZICAL Center that you will operate under the Agreement will be located or operated in Washington; and/or (c) you accepted the offer for the sale of the FYZICAL franchise in Washington.

2. **Indemnity.** The following language is added to the end of Sections 18 of the Agreement:

Franchisees have no obligation to indemnify or hold harmless an indemnified party for losses to the extent that they are determined to have been caused solely and directly by the indemnified party’s negligence, willful misconduct, strict liability or fraud.

3. **Representations.** The representations in Sections 23(a), (b) and (c) do not apply in the State of Washington.

4. **Washington Franchise Investment Protection Act.** The following is added to the end of the Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW (the “Act”) will prevail.

RCW 19.100.180 may supersede the Franchise Agreement in your relationship with us, 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 us, 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 Act, in the State of Washington.

A release or waiver of rights executed by a franchisee may not include rights under the 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 the State of 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.

All initial franchise fees shall be deposited into an escrow account meeting the conditions of WAC 460-80-400 through -450. The funds in the escrow account may not be released except upon written authorization of the Administrator.

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.

Intending to be bound, the parties sign and deliver this Rider in two counterparts effective on the Agreement Date, regardless of the actual date of signature.

**FRANCHISOR:**

**FYZICAL, LLC**

a Delaware limited liability company

**FRANCHISEE:**

\_\_\_\_\_  
[Business Entity Name]

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

(If Individual(s)):

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

Sign: \_\_\_\_\_  
Print Name: \_\_\_\_\_

**EXHIBIT H TO THE DISCLOSURE DOCUMENT**

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**GENERAL RELEASE**

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## WAIVER AND RELEASE OF CLAIMS

THIS WAIVER AND RELEASE OF CLAIMS (the “**Release**”) is made as of \_\_\_\_\_ (the “**Effective Date**”) by \_\_\_\_\_, a(n) \_\_\_\_\_ (“**Franchisee**”), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, “**Releasor**”) in favor of FYZICAL, LLC, a Delaware limited liability company (“**Franchisor**,” and together with Releasor, the “**Parties**”).

**WHEREAS**, Franchisor and Franchisee have entered into a Franchise Agreement (the “**Agreement**”) pursuant to which Franchisee was granted the right to own and operate a FYZICAL® Center franchise;

**WHEREAS**, Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee, [**enter into a successor franchise agreement**] and Franchisor has consented to such transfer [**agreed to enter into a successor franchise agreement**]; and

**WHEREAS**, as a condition to Franchisor’s consent to the transfer [**Franchisee’s ability to enter into a successor franchise agreement**], Releasor has agreed to execute this Release upon the terms and conditions stated below.

**NOW, THEREFORE**, in consideration of Franchisor’s consent to the transfer [**Franchisor entering into a successor franchise agreement**], and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. **Representations and Warranties.** Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims or obligations being terminated and released hereunder. Releasor represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. **Release.** Releasor on behalf of itself and its current and former subsidiaries, affiliates, parents and each of the foregoing person’s or entities’ past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals claiming by, through, under, or on behalf of any or all of foregoing persons or entities (collectively, the “**Releasing Parties**”), hereby release, acquit and forever discharge Franchisor, any and all of its current and former affiliates, parents, subsidiaries or related companies, divisions and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the “**Released Parties**”), of and from any and all claims, damages, demands, causes of action, suits, duties, liabilities, and agreements of every kind and nature whatsoever (collectively, “**Claims**”), whether at law or in equity, and known or unknown, which any of the Releasing Parties had, has, or may have had, in any way arising out of or relating to any relationship or transaction with any of the Released Parties, however characterized or described, from the beginning of time to the Effective Date, including, without limitation, any and all Claims in any way arising out of or relating to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of any and all of the FYZICAL™ Centers. The Releasor further covenants that the Releasing Parties will not to sue any of the Released Parties

on any of the Claims released by this paragraph and represent that the Releasing Parties have not assigned any of the Claims released by this paragraph to any individual or entity who is not bound by this paragraph.

Each of the Releasing Parties acknowledges that he, she or it is familiar with Section 1542 of the California Civil Code, which reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

With respect to those claims being released hereunder, each of the parties acknowledges that he, she or it is releasing unknown claims and waives all rights he, she or it has or may have under California Civil Code Section 1542 or any other statute or common law principle of similar effect. Each of the parties acknowledges that he, she or it may hereafter discover claims or facts in addition to or different from those now known or believed to exist with respect to the subject matter of the claims being released hereunder, and which, if known or suspected at the time of entering into this Release, may have materially affected this Release. Nevertheless, each of the parties hereby waives any right, claim or cause of action that might arise as a result of such different or additional claims or facts. Each of the parties acknowledges and understands the significance and consequence of such release and such specific waiver of California Civil Code Section 1542.

If the franchise operated by Franchisee under the Agreement is located in State of Maryland or if any of the Releasors is a resident of Maryland, the following shall apply:

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

If the franchise operated by Franchisee under the Agreement is located in State of Washington or if any of the Releasors is a resident of Washington, the following shall apply:

Any general release provided for hereunder does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their Center or their reputation.

4. Miscellaneous.

Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

(a) This Release shall be construed and governed by the laws of the State of Florida.

(b) Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

(c) In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

(d) All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

(e) This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

(f) If one or more of the provisions of this Release shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal or unenforceable provision had not been contained herein.

(g) The Parties agree to do such further acts and things and to execute and deliver such additional agreements and instruments as any Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

**IN WITNESS WHEREOF** Releasor has executed this Release as of the date first written above.

**FRANCHISEE:**

\_\_\_\_\_, a  
\_\_\_\_\_

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

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

Its: \_\_\_\_\_

**RELEASOR/FRANCHISEE'S OWNERS:**

Date \_\_\_\_\_

\_\_\_\_\_  
Typed or Printed Name

Date \_\_\_\_\_

\_\_\_\_\_  
Typed or Printed Name

Date \_\_\_\_\_

\_\_\_\_\_  
Typed or Printed Name

**EXHIBIT I TO THE DISCLOSURE DOCUMENT**

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**LIST OF FRANCHISEES**

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**LIST OF FRANCHISEE OUTLETS<sup>1</sup>**  
**AS OF DECEMBER 31, 2024**

Carl	Stephenson	1300 McFarland Blvd. NE Suite 150	Tuscaloosa	Alabama	35406	(205) 758-9041
Carl	Stephenson	4280 Watermelon Road Suite 112	Northport	Alabama	35473	(205) 349-2525
Carl	Stephenson	832 Princeton Ave SW	Birmingham	Alabama	35211	(205) 206-8231
Bill	Mcfeely	2806 S. Memorial Parkway, Suite E	Huntsville	Alabama	35801	(256) 319-6515
George	Godwin	1218 13th Avenue, SE	Decatur	Alabama	35601	(256) 351-5015
Joe	Smith	4300 W. Main Street Ste 403	Dothan	Alabama	36305	(334) 673-7312
William (skibo)	Holman	101 Highway 80 West	Demopolis	Alabama	36732	(334) 289-5696
Jimmy Lee	Masdon <sup>2</sup>	602 Corley Avenue	Boaz	Alabama	35957	(256) 571-8450
Osasere	Aghedo	731 Dallas Ave,	Selma	Alabama	36701	(334) 872-4778
Dawn	Sexton	2092 Fairview Ave	Prattville	Alabama	36066	(334) 595-9990
Dustin	Clary	129 Mitylene Park Lane	Montgomery	Alabama	36117	(334) 593-4462
Dustin	Clary	10 Old Montgomery Hwy Suite #200	Homewood	Alabama	35209	(205) 807-2144
Sippu	Momin	3780 Riverchase Village	Hoover	Alabama	35244	(205) 742-9090
Dustin	Clary	2201 Jack Warner Parkway	Tuscaloosa	Alabama	35401	(205) 292-9692
Todd	Pollock	6415 Kenai Spur Highway	Kenai	Alaska	99611	(907) 335-1155
Shain	ZumBrunnen	650 N Shoreline Drive	Wasilla	Alaska	99654	(907) 376-6363
Shain	ZumBrunnen	11432 Business Blvd Ste 18	Eagle River	Alaska	99577	(907) 622-6363
Kevin	Willmore	3782 Hwy 95, Ste 2	Bullhead City	Arizona	86442	(928) 763-0807
Sandi	Salazar	5410 E. High St., #107	Phoenix	Arizona	85054	(602) 404-8012
Sarah	Sugden	14239 West Bell Road	Surprise	Arizona	85374	(623) 600-8333
Elizabeth	Marr	1760 McCulloch Blvd., North #200	Lake Havasu City	Arizona	86403	(928) 505-5691
Chris	Mendias	3330 N 2nd St #401	Phoenix	Arizona	85012	(602) 772-2946
Tap	Duong	1849 Paseo San Luis	Sierra Vista	Arizona	85635	(520) 461-9711
Gary	Stanko	3337 N. Miller Road	Scottsdale	Arizona	85251	(480) 687-2438
Jiten	Dungarani	1807 E Queen Creek Rd	Chandler	Arizona	85286	(602) 666-6602
Jiten	Dungarani	430 West Warner Rd	Tempe	Arizona	85284	(480) 703-5680
Jiten	Dungarani	3602 East Greenway Road	Phoenix	Arizona	85032	(480) 703-5680
Ernesto	Hernandez	6116 E. Arbor Ave., Bldg. 2, Suite 106	Mesa	Arizona	85206	(925) 980-4935
John	Donato	7115 East Baseline Road, Suites 105+106	Mesa	Arizona	85209	(602) 687-2066
Jerry	Yarborough	523 E 6th St, El Dorado, AR 71730	El Dorado	Arkansas	71730	(870) 201-2222
Stewart	Ong	1801 Forest Hills Blvd, Ste 205	Bella Vista	Arkansas	72715	(479) 236-4987
Keely	Rogers	31 Choctaw Center	Cherokee Village	Arkansas	72529	(870) 856-4325
Ryan	Williams	582 Highway 365 #3	Mayflower	Arkansas	72106	(501) 470-3500
Ryan	Williams	8 Medical Lane	Conway	Arkansas	72034	(501) 733-3037
Jim	Wollscheid	4900 Rogers Ave, Suite 100 F&G	Fort Smith	Arkansas	72903	(479) 478-6869
Jane	Mead	1809 Verdugo Blvd., #160	Glendale	California	91208	(818) 952-8707
Sandy	DeRyke	201 E Hamilton Ave	Campbell	California	95008	(408) 376-0900

Darryl	Lopez	39180 Farwell Dr. Suite 101	Fremont	California	94538	(510) 438-0294
Dale	Little	2620 Larkspur Lane	Redding	California	96002	(530) 605-4422
Charles	Oh	2552 Walnut Ave Suite 130	Tustin	California	92780	(714) 508-1600
Justin	Fesler	22821 Lake Forest Drive Suite 100	Lake Forest	California	92630	(949) 716-1800
Chris	Vafiades	1200 41st Ave Suite H	Capitola	California	95010	(831) 346-6886
Marion	Gilbert	300 Sierra College Dr. # 165	Grass Valley	California	95945	(530) 274-2320
Dave,Kelan and Blayne	Liparoto	4572 Telephone Road #903	Ventura	California	93003	(805) 654-8127
Daniel	James	681 Portola Drive	San Francisco	California	94127	(415) 664-6492
Caroline	Taylor	3718 Grand Avenue Suite 15	Oakland	California	94610	(510) 893-8878
Shari	Ritzmann	11265 Decatur Street Suite 300	Westminster	Colorado	80234	(303) 561-0447
Shari	Ritzmann	10693 Melody Dr.	Northglenn	Colorado	80234	(303) 561-0447
Sean	Richardson	2472 Patterson Road Suite 9	Grand Junction	Colorado	81501	(970) 245-0511
Douglas	Wilson	140 East Boardwalk Drive Unit A	Fort Collins	Colorado	80525	(970) 223-8293
Mara	Lund	10081 Wadsworth Parkway #120	Westminster	Colorado	80021	(303) 465-0084
Rory	Oetomo	8955 Ridgeline Blvd #400	Highlands Ranch	Colorado	80129	(303) 683-8338
Chris	Price	6040 S Gun Club Road STE f-7	Aurora	Colorado	80016	(720) 870-8900
Christian	Jones	6612 S Ward Street	Littleton	Colorado	80127	(303) 409-2133
Christian	Jones	16799 E Lake Ave.	Centennial	Colorado	80016	(303) 409-2133
Christian	Jones	10475 N Sheridan Blvd	Westminster	Colorado	80020	(303) 409-2133
Christian	Jones	6350 Eldridge Street	Arvada	Colorado	80004	(303) 409-2133
Christian	Jones	1555 Dover Street	Lakewood	Colorado	80125	(303) 409-2133
Christian	Jones	2200 S Kipling Street	Lakewood	Colorado	80227	(303) 409-2133
Christian	Jones	2801 Youngfield	Golden	Colorado	80401	(303) 409-2133
Taylor	Pfeifer	2 Oakwood Park Plaza	Castle Rock	Colorado	80104	(720) 788-7365
Taylor	Pfeifer	19284 Cottonwood Dr Suite 203	Parker	Colorado	80138	(720) 788-7365
Taylor	Pfeifer	12919 Stroh Ranch Ct, F	Parker	Colorado	80134	(785) 656-3988
Steve	Henning	7400 East Caley Ave. Suite 180W	Centennial	Colorado	80111	(720) 850-5111
Aaron	Carter	6385 Corporate Drive Suite 307	Colorado Springs	Colorado	80919	(803) 201-4587
Jim	McMichael	2839 Cornerstone Dr Unit 3	Pagosa Springs	Colorado	81147	(720) 273-2559
Beth	Hill	1075 E. South Boulder Road, Suite 140	Louisville	Colorado	80027	(303) 204-3699
Annabelle	McWhite	695 Bethany Loop	Bethany Beach	Delaware	19930	(302) 616-3651
George	Leppert	4301 50th Street NW Suite 100	Washington	District of Columbia	20016	(202) 448-9662
Chip	Fisher	6000 Cattleridge Dr. Ste 100	Sarasota	Florida	34232	(941) 378-8977
Gina	Reuillon	1609 NW Federal Hwy	Stuart	Florida	34994	(772) 223-3440
Gina	Reuillon	702 NE Jensen Beach Blvd.	Jensen Beach	Florida	34957	(772) 225-8908
Alex	Matz	2240 NE 123rd Street	North Miami	Florida	33181	(305) 866-5050
Idler	Bonhomme	6388 Silver Star Road E1	Orlando	Florida	32818	(321) 369-9133
Idler	Bonhomme	1603 S Hiawassee Road	Orlando	Florida	32835	(407) 401-9906
Rene	Luna	1660-3 North Monroe Street	Tallahassee	Florida	32308	(850) 656-3163
Mike	Graves	6169 Jog Rd Ste A-11	Lake Worth	Florida	33467	(561) 331-3636
Mike	Graves	5030 Champion Blvd, Ste. D-9	Boca Raton	Florida	33496	(561) 331-3636

Mike	Graves	11482 Okeechobee Blvd, Ste 2	Royal Palm Beach	Florida	33411	(561) 331-3636
Mike	Graves	3385 Burns Road, Suite 108	Palm Beach Gardens	Florida	33410	(561) 331-3636
Mike	Graves	9897 Lake Worth Rd, Ste. 203	Wellington	Florida	33467	(561) 331-3636
Mike	Graves	5601 Okeechobee Blvd	West Palm Beach	Florida	33417	(561) 331-3636
Mike	Graves	901 N. Flagler Dr #1	West Palm Beach	Florida	33401	(561) 331-3636
Mike	Graves	5601 Okeechobee Blvd. Suite B	West Palm Beach	Florida	33417	(561) 432-0111
Mike	Graves	1903 S. Congress Avenue Suite 100	Boynton Beach	Florida	33426	(561) 331-3636
Mike	Graves	7431 West Atlantic Ave (Suite 52)	Delray Beach	Florida	33446	(561) 331-3636
Mike	Graves	711 W Indiantown Rd., Unit C5	Jupiter	Florida	33477	(561) 331-3636
Keefe	Fugleberg	1727 2nd Street	Sarasota	Florida	34236	(941) 951-0170
Marcela	Belmana	6450 West Atlantic Blvd, STE 1	Margate	Florida	33063	(954) 979-1077
Mike	Willett	9051 Tamiami Trail N. Ste 104	Naples	Florida	34108	(239) 591-4711
Sanjeev	Joseph	5860 Ranch Lake Blvd Suite 102	Bradenton	Florida	34202	(941) 417-8300
Sanjeev	Joseph	4827 W 27th Street West	Bradenton	Florida	34207	(941) 417-8303
Donald	Olsen <sup>2</sup>	4301 Sanibel Captiva Road	Sanibel Island	Florida	33957	(239) 395-1097
Joseph	Lipana	900 Tamiami Trail Unit 111	Punta Gorda	Florida	33950	(941) 347-3650
Tara	Schwartz	14280 Walsingham Road	Largo	Florida	33774	(727) 596-2101
Tara	Schwartz	13777 Belcher Road South	Largo	Florida	33771	(727) 532-1900
Tara	Schwartz	419 Pasadena Ave S	St Petersburg	Florida	33707	(727) 384-4600
Michelle	Morgan	133 Benmore Drive Suite 100	Winter Park	Florida	32792	(407) 644-6325
Bruce	Sack	1315 NW 21st Ave #3	Chiefland	Florida	32626	(352) 493-2999
Bruce	Sack	5201 NW 34th Blvd	Gainesville	Florida	32605	(352) 240-1136
Barbara	Divincenzo	911 N Spring Garden Ave	Deland	Florida	34720	(386) 736-3108
Melisa	Crosby	New Address: 885 State Road 20	Interlachen	Florida	32148	(386) 684-9110
Melisa	Crosby	195 US 17 S Suite 1	East Palatka	Florida	32131	(386) 385-3598
Jason	Boole	310 Racetrack Road	Fort Walton Beach	Florida	32547	(850) 889-4550
Angela	Pinson	21 Suntree Place	Melbourne	Florida	32940	(321) 254-5300
Ginger	Snead	150 5th Avenue Suite C	Indianalantic	Florida	32903	(321) 372-3090
Ginger	Snead	3830 South Highway A1A Suite C-5	Melbourne Beach	Florida	32951	(321) 327-7889
Jim	Armstrong	4040 US Hwy 27 North	Sebring	Florida	33870	(863) 471-0012
Jim	Armstrong	205 N Scenic Highway	Frostproof	Florida	33843	(863) 635-7574
Jim	Armstrong	100 E Broadway	Fort Meade	Florida	33841	(863) 285-6900
Jim	Armstrong	437 Carlton Street	Wauchula	Florida	33873	(863) 773-3317
Maulika	Thakore	875 Wallace Court Suite C Unit 1013	Lake Mary	Florida	32746	(407) 710-8956
Matt	Bremer	634 Barnes Blvd Suite 202	Rockledge	Florida	32955	(321) 351-2700
Jigar	Vyas	334 E. Michigan Street	Orlando	Florida	32806	(407) 574-3027
Ana	Sapijaszko	3990 E. SR 44 Suite 201	Wildwood	Florida	34785	(352) 330-1011
Melissa	Shabani	7924 NE 2nd Ave Unit 101	Miami	Florida	33138	(305) 677-8262
Gilbert	Mbeo	13563 Narcosee Rd	Orlando	Florida	32832	(407) 730-4274



Adrienne	DeQuarto	10700 SR 54 Suite B-102	Trinity	Florida	34655	(813) 563-4321
Kanathy	Haney	2234 University Drive	Coral Springs	Florida	33071	(954) 779-4549
Travis	McHenry	1104 S Clarke Road Suite 30	Ocoee	Florida	34761	(727) 409-9463
Dan	Plante	4020 Park Street North Suite 101	Saint Petersburg	Florida	33709	(727) 642-4820
John	Wiest	559 West Twincourt Trail #610	St. Augustine	Florida	32095	(239) 671-6252
Joanna	Frantz	4776 Hodges Blvd, Ste 101	Jacksonville	Florida	32224	(904) 223-2363
Sanjeev	Joseph	7425 Monika Manor Dr.	Westchase	Florida	33625	(813) 438-3579
Sanjeev	Joseph	4168 Woodlands Parkway	Palm Harbor	Florida	34685	(803) 463-2605
Sanjeev	Joseph	2349 Sunset Point Road	Clearwater	Florida	33765	(803) 463-2605
Sanjeev	Joseph	9387 Seminole Blvd	Seminole	Florida	33772	(803) 463-2605
Sanjeev	Joseph	27031 State Road 56	Wesley Chapel	Florida	33544	(813) 587-0821
Daniel	Dieguez	3150 W 76th Street	Hialeah	Florida	33018	(305) 946-9012
Rob	Stewart	146 Wilshire Boulevard	Casselberry	Florida	32707	(386) 867-2059
Rhett	Smith	1226 NE 8th Avenue	Ft Lauderdale	Florida	33304	(615) 604-2112
Philip M	Suess III	401 Preston St	Waycross	Georgia	31501	(912) 283-7342
Brian	Stevens	6884 Hickory Flat Hwy (In Hickory Flat)	Woodstock	Georgia	30188	(770) 704-8244
Brian	Stevens	3342 Trickum Rd Ste D	Woodstock	Georgia	30188	(678) 401-5772
Brian	Stevens	4477 Towne Lake Pkwy, Suite 120	Woodstock	Georgia	30189	(770) 704-8244
Brian	Stevens	709 Canton Rd #100	Marietta	Georgia	30060	(770) 792-7522
Bridget	Hathcock	1107 B Greer Street	Cordele	Georgia	31015	(229) 273-9445
Bridget	Hathcock	100 Union Street	Vienna	Georgia	31092	(229) 521-1152
Bridget	Hathcock	1001 S Greer Street	Cordele	Georgia	31015	(229) 207-4004
Bridget	Hathcock	1430 US Hwy 82 West	Tifton	Georgia	31793	(229) 445-3255
Bridget	Hathcock	201 W Marion Ave Suite A	Nashville	Georgia	31639	(229) 322-5880
Bo	Hamil	812 South Park Street	Carrollton	Georgia	30117	(770) 834-7436
Bo	Hamil	300 Alabama Ave	Bremen	Georgia	30110	(770) 537-6477
Bo	Hamil	214 Maple Street	Villa Rica	Georgia	30180	(770) 459-4555
Chris	Hamil	740 Prince Ave. Suite 8B	Athens	Georgia	30606	(770) 301-0194
Jimmy	Biga	1230 Johnson Ferry Place Suite H-20	Marietta	Georgia	30068	(678) 503-2717
Tom	Smith	430 W. Cherry St.	Jesup	Georgia	31545	(912) 256-5610
Tom	Smith	1225 F North Way	Darien	Georgia	31305	(912) 437-2869
Holli	Stevens	118 Azalea Road	Baxley	Georgia	31515	(912) 705-2855
Tom	Smith	401 E 1st St. Suite B	Vidalia	Georgia	30474	(912) 403-3300
Debbie	Yates	22 Hayes Street	Toccoa	Georgia	30577	(706) 886-3883
Leanne	Douglas	310 South Shirley Ave	Douglas	Georgia	31533	(912) 260-3650
Irfan	Mandani	4920 Roswell Road NE Suite 36	Atlanta	Georgia	30342	(404) 464-8300
Irfan	Mandani	3400-C Old Milton Parkway, Suite 390	Atlanta	Georgia	30005	(727) 418-9664
Scott	Nix	5576 Peachtree Road Suite 103	Chamblee	Georgia	30341	(404) 446-3633
Kevin	Kampany	3429 Lawrenceville Suwanee Road	Suwanee	Georgia	30024	(770) 800-8010
Kevin	Kampany	6955 McGinnis Ferry Road Suite 111	Johns Creek	Georgia	30097	(415) 577-3987
Jim	Taylor	1605 Buford Highway Suite B	Cumming	Georgia	30041	(678) 595-7532

Denise	Etter	2745 Sandy Plains Rd	Marietta	Georgia	30066	(678) 274-7778
Ion	Toma	875 Mansell Road Suite H	Roswell	Georgia	30076	(404) 578-0233
Ion	Toma	4941 South Old Peachtree Road	Peachtree Corners	Georgia	30092	(404) 578-0233
Jonathan	Baker	250 John W. Morrow Jr. Parkway, Suite 115-116	Gainesville	Georgia	30501	(706) 969-8961
Gunjan	Patel	3645 E. Overland Road	Meridian	Idaho	83642	(208) 703-4950
Will	Capraro	6921 W Archer Ave	Chicago	Illinois	60638	(773) 586-2768
Will	Capraro	2555 N. Clark Street	Chicago	Illinois	60614	(773) 755-7566
Will	Capraro	9519 North Milwaukee	Niles	Illinois	60714	(847) 390-0999
Will	Capraro	1567 Deerfield Parkway	Buffalo Grove	Illinois	60089	(847) 520-9038
Will	Capraro	14904 S Lagrange Rd	Orland Park	Illinois	60462	(773) 284-0888
Will	Capraro	2859 N Milwaukee Ave	Chicago	Illinois	60618	(708) 929-1002
Will	Capraro	905 E Rand Rd, Ste 100	Mount Prospect	Illinois	60056	(847) 871-9026
Will	Capraro	1970 N Arlington Heights Rd	Arlington Heights	Illinois	60004	(773) 586-2768
Will	Capraro	2500 West Higgins Road Suite 370	Hoffman Estates	Illinois	60169	(847) 895-2910
Will	Capraro	100 Admiral Drive Suite 13	Harvard	Illinois	60033	(815) 943-0191
Will	Capraro	883-885 S Roselle Rd	Schaumburg	Illinois	60193	(630) 542-1900
Will	Capraro	157 W North Ave	Chicago	Illinois	60610	(773) 586-2768
Will	Capraro	1240 Iroquois Ave # 400	Naperville	Illinois	60563	(630) 369-1015
Will	Capraro	1751 W. Naperville Road, Units 105-107	Wheaton	Illinois	60189	(630) 369-1015
Will	Capraro	9735 Southwest Hwy	Oak Lawn	Illinois	60453	(708) 499-4497
Will	Capraro	5214 North Milwaukee Avenue	Chicago	Illinois	60630	(773) 649-5915
Will	Capraro	2949 West Irving Park Road	Chicago	Illinois	60618	(773) 250-7777
Will	Capraro	1725 W. 22nd Street, Unit G	Oak Brook	Illinois	60523	(630) 318-3000
Edward	O'Malley	448 N Weber Rd # A	Romeoville	Illinois	60446	(815) 293-3740
Ronnie	Day	3815 N Vermilion St	Danville	Illinois	61832	(859) 238-7650
Richard	Kruckeberg	100 Professional Plz #A	Mattoon	Illinois	61938	(217) 885-2531
Richard	Kruckeberg	2 East Harrison Street	Sullivan	Illinois	61951	(217) 284-2150
Bob	Tudor	6809 N Knoxville Ave	Peoria	Illinois	61614	(309) 589-5900
Efrat	Rebish	1535 Lake Cook Road Suite 412	Northbrook	Illinois	60062	(224) 444-0370
Ryan	Todd	852 Madison St.	Oak Park	Illinois	60302	(708) 445-3965
Kyle	Dodge	16109 S. Ferrell Road	Lockport	Illinois	60441	(815) 306-4781
Sachin	Haralkar	140 E Boughton Rd	Bolingbrook	Illinois	60440	(630) 444-7374
Sachin	Haralkar	15412 South Route 59 Unit 118	Plainfield	Illinois	60544	(312) 975-7045
Jason	Cundiff	27790 IL-22 Ste 27	Barrington	Illinois	60010	(847) 649-6000
Eric	Sato	34498 N. Old Walnut Circle	Gurnee	Illinois	60031	(224) 688-5897
Eileen	Burns	5665 N Post Road	Indianapolis	Indiana	46216	(317) 723-6089
Michael	Mahinay	1272 Main Street	Mount Vernon	Indiana	47620	(812) 307-1089
Ryan	Groneman	1400 E Pugh Drive Suite 28	Terre Haute	Indiana	47802	(810) 882-1590
Sarah	Powell	12499 University Avenue, Suite 250	Clive	Iowa	50325	(515) 985-7530
Sushma	Patel	1900 W 75th Street	Prairie Village	Kansas	66208	(913) 432-3950
Thomas	Logan	2841 NEW HARTFORD RD	OWENSBORO	Kentucky	42303	(270) 240-2246

Brandon	Hollmann	8640 Haines Dr. Suite A	Florence	Kentucky	41042	(512) 468-3632
Anthony	Macaluso	714 Dublin St	New Orleans	Louisiana	70118	(504) 861-4693
Anthony	Macaluso	8400 West Judge Perez Drive Suite 9	Chalmette	Louisiana	70043	(504) 277-6052
Floyd	Saltzman III	4080 Nelson Rd # 500	Lake Charles	Louisiana	70605	(337) 494-7546
Floyd	Saltzman III	2100 Oak Park Blvd	Lake Charles	Louisiana	70601	(337) 310-5116
Floyd	Saltzman III	190 Gloria Lane Suite 100	Lake Charles	Louisiana	70611	(337) 214-2930
Jerry	Yarborough	900 Pershing Hwy	Jonesboro	Louisiana	71251	(318) 259-9899
Jerry	Yarborough	1701 Commerce St	Ruston	Louisiana	71270	(318) 224-8994
Jerry	Yarborough	1901 Roselawn Avenue Suite A	Monroe	Louisiana	71201	(318) 322-7050
Jerry	Yarborough	105 Blanchard St.	West Monroe	Louisiana	71291	(318) 398-9940
Jerry	Yarborough	1907 E. Madison St.	Bastrop	Louisiana	71220	(318) 283-8384
Patty	Broussard	1700 Kaliste Saloom Road Building 100 1-A	Lafayette	Louisiana	70508	(337) 210-2098
Toni	Guillory	121 S 4th Street	Eunice	Louisiana	70535	(337) 466-3644
Toni	Guillory	220 N Chataignier Street	Ville Platte	Louisiana	70535	(337) 466-4255
Charles	Mitchell	5258 Dijon Dr	Baton Rouge	Louisiana	70808	(225) 256-3828
Paul	Guillory	221 Windermere Blvd	Alexandria	Louisiana	71303	(318) 545-7878
Patrick	Gleeson	16172 Airline Hwy Unit B	Prairieville	Louisiana	70769	(225) 255-4020
Anthony	Macaluso	3759 Airline Drive	Metairie	Louisiana	70001	(504) 908-7481
Adarsh	Vasanth	91 Auburn Street	Portland	Maine	04103	(207) 550-0733
Mike	Siegel	15204 Omega Dr Ste 310	Rockville	Maryland	20850	(240) 361-9000
Scott	Gardner	11204 Racetrack Rd #101	Berlin	Maryland	21811	(410) 208-1525
Scott	Gardner	7845 Oakwood Rd Suite 300	Glen Burnie	Maryland	21061	(410) 969-7580
Scott	Gardner	12472 Sea Oaks Lane Unit 1	Berlin	Maryland	21811	(410) 208-1525
David	Lee	15201 Shady Grove Rd # 106	Rockville	Maryland	20850	(301) 948-4395
Gary	Lynch	22217 Commerce Road	Forest Hill	Maryland	21050	(410) 638-0700
Michael	Pardo	166 Defense Hwy Suite L101	Annapolis	Maryland	21401	(410) 224-0350
Mark	Dettelbach	5454 Wisconsin Ave #1535	Chevy Chase	Maryland	20815	(301) 657-7851
Scott	London	23 Crossroads Drive Suite #430	Owings Mills	Maryland	21117	(410) 356-2626
Barry	Brown	19733 Leitersburg Pike #102	Hagerstown	Maryland	21742	(301) 714-0700
Sherwin	Nol	6620 Crain Highway Suite 101	La Plata	Maryland	20646	(301) 861-4009
Derrick	Martin	3200 Crain Highway Suite 103	Waldorf	Maryland	20603	(240) 419-5101
Derrick	Martin	9841 Greenbelt Road Suite 103	Lanham	Maryland	20706	(301) 220-2316
Derrick	Martin	4000 Mitchellville Rd, Suite B-430	Bowie	Maryland	20716	(301) 860-0985
Dr. Sam	Hahn	30 E. Padonia Suite 104	Lutherville	Maryland	21093	(410) 823-8061
Tim	Garrison	1050 Key Parkway #202	Frederick	Maryland	21702	(240) 813-3597
David	Lee	12800 Middlebrook Rd Suite 100	Germantown	Maryland	20874	(301) 235-3031
Mahesh	Zarkar	8820 Columbia 100 Parkway	Columbia	Maryland	21045	(443) 949-6023
Mojdeh	Ilbeig	1400 Forest Glen Road	Silver Spring	Maryland	20910	(301) 378-3386
Thomas	Lomonaco	44 Rivulet St	Uxbridge	Massachusetts	01569	(508) 278-2002
Prerak	Shah	198 Mass ave	North Andover	Massachusetts	01845	(978) 269-5194
Maitul	Patel	201 Chelmsford Street	Chelmsford	Massachusetts	01824	(978) 456-5450
Jonathan	Pekor	262 East Main Street	Marlborough	Massachusetts	01752	(508) 251-1819

Zaid	Baig	3055 Hallmark ct.	Saginaw	Michigan	48603	(989) 249-7860
Saravanan	Chockalingam	3901 Highland Rd Suite B	Waterford	Michigan	48328	(248) 682-3933
Saravan	Chockalingam	329 Columbia Street, Ste. B	Algonac	Michigan	48001	(810) 671-0018
Saravan	Chockalingam	3436 South River Road	East China	Michigan	48054	(810) 637-8096
Saravan	Chockalingam	1209 10th Street	Port Huron	Michigan	48060	(810) 662-3578
Richard	Strabbing	3100 N Wellness drive	Holland	Michigan	49424	(616) 209-9694
Richard	Strabbing	3501 Rivertown Point Ct.	Grandville	Michigan	49418	(616) 209-9694
Richard	Strabbing	3322 E Beltline Ave NE	Grand Rapids	Michigan	49525	(616) 209-9694
Richard	Strabbing	17168 Timberview Drive	Grand Haven	Michigan	49417	(616) 209-9694
Arunkumar	Kesavan	2460 Burton st SE, Suite 100	Grand Rapids	Michigan	49546	(616) 333-2721
Arunkumar	Kesavan	225 M37 Highway	Hastings	Michigan	49058	(616) 333-2721
Lou	Finos	12800 Escanaba Drive Unit C	Dewitt	Michigan	48820	(517) 669-7228
Lou	Finos	701 Snow Road Suite A	Lansing	Michigan	48917	(517) 323-0593
Lou	Finos	830 W Lake Lansing Road, Suite 250	East Lansing	Michigan	48823	(517) 333-8533
Dean	Tahtinen	2609 Charlevoix Ave	Petoskey	Michigan	49770	(231) 439-3750
Bruce	Duncan	348 Long Rapids Plaza	Alpena	Michigan	49707	(989) 358-8086
Bruce	Duncan	140 S Bradley Hwy	Rogers City	Michigan	49779	(989) 734-7607
Chirag	Shah	3339 Rochester Road	Troy	Michigan	48083	(248) 918-4966
Jan	Hanson	670 Commerce Drive., Suite 140	Woodbury	Minnesota	55125	(651) 501-2010
Noiy	Nguyen	17761 Kenwood Trail	Lakeville	Minnesota	55044	(612) 203-9115
James	House III	290 E Layfair Dr.	Flowood	Mississippi	39232	(601) 487-2260
Wade	Baskin	17045 E Main Street	Louisville	Mississippi	39339	(662) 773-3700
Neil	Yust	4830 E 32nd St. Ste 3	Joplin	Missouri	69804	(417) 781-0082
Neil	Yust	320 E. Austin	Nevada	Missouri	64772	(417) 667-6673
Neil	Yust	1010 S. Madison Ave	Webb City	Missouri	64875	(417) 673-0600
Micah	Hunt	20120 E Jackson Drive Suite B	Independence	Missouri	64057	(816) 877-3185
Risa	Hofmeister	3876 Farnam St	Omaha	Nebraska	68131	(402) 614-2634
Risa	Hofmeister	13336 Industrial Road, Suite 105	Omaha	Nebraska	68137	(402) 330-3211
Risa	Hofmeister	4626 South 132nd Street	Omaha	Nebraska	68137	(402) 330-7891
Risa	Hofmeister	4630 South 132nd Street	Omaha	Nebraska	68137	(402) 763-1888
Risa	Hofmeister	15664 West Maple Road	Omaha	Nebraska	68116	(402) 991-1110
Risa	Hofmeister	17725 Welch Plaza, Suite A	Omaha	Nebraska	68135	(402) 991-8933
Risa	Hofmeister	545 Fortune Drive	Omaha	Nebraska	68046	(402) 991-0333
Risa	Hofmeister	3909 Twin Creek Drive, Suite 102	Bellevue	Nebraska	68123	(402) 991-0333
Risa	Hofmeister	3910 Twin Creek Drive, Suite 104	Bellevue	Nebraska	68124	(402) 991-8959
Risa	Hofmeister	545 Fortune Drive	Omaha	Nebraska	68046	(402) 504-3783
Eric	Bjorkman	2130 S 17th St #200	Lincoln	Nebraska	68502	(402) 476-6575
Eric	Bjorkman	770 N Cotner Blvd, Ste 125	Lincoln	Nebraska	68505	(402) 476-6575
Christopher	Sarno	14 Manchester Sq	Portsmouth	New Hampshire	03801	(603) 988-0953
Michael	Stann	4-14 Orchard View Drive	Londonderry	New Hampshire	03053	(603) 216-1950
Donna	Singer	116 Oceanport Avenue Bldg. 2	Little Silver	New Jersey	07739	(732) 758-0002
Kalpana	Iyer	132 Westfield Avenue #1	Clark	New Jersey	07066	(732) 382-7288

Daniel	Samadi	10 Forest Ave	Paramus	New Jersey	07652	(201) 996-1505
Thomas	DiPaolo	498 Inman Ave Suite 200	Colonia	New Jersey	07067	(732) 587-5656
Nittn	Kohli	1217 Summit Ave	Jersey City	New Jersey	07307	(201) 984-0520
Gordon	Houriham	470 Schooleys Mountain Road	Hackettstown	New Jersey	07840	(908) 520-2346
Roosevelt	Enajekpo <sup>2</sup>	1129 Bloomfield Ave Suite 214 and 215	West Caldwell	New Jersey	07006	(862) 348-5200
Astaire	Perez	625 Springfield Ave	Berkeley Heights	New Jersey	07922	(848) 482-7230
David	Chang	2160 N. Central Road Unit 103	Fort Lee	New Jersey	07024	(845) 367-1369
Nelson	Dunn	385 Clinton Avenue	Wyckoff	New Jersey	07481	(917) 355-6851
Diane	Urban	49 Bethel Road	Somers Point	New Jersey	08244	(856) 229-1794
Sarah	Kearney	721 Main Street	Sewell	New Jersey	08080	(609) 221-6923
Denise	Campbell	2404 South Locust Ste 5	Las Cruces	New Mexico	88005	(575) 521-4188
Denise	Campbell	1181 Mall Drive	Las Cruces	New Mexico	88011	(575) 522-0766
Kale	Isaacson	1334 WYOMING BLVD NE	Albuquerque	New Mexico	87112	(505) 292-3317
Attilio	Pensavalle	One Hollow Lane, Ste. 214	Lake Success	New York	11042	(516) 482-0100
Adrian	Ferreira	2051 Baldwin Road	Yorktown Heights	New York	10598	(914) 302-2190
Shelly	Kraetz	810 West Genesee Street Road	Skaneateles	New York	13152	(315) 291-7042
Shelly	Kraetz	5639 West Genesee Street Road	Camillus	New York	13031	(315) 291-7042
Shelly	Kraetz	3105 North Triphammer Road	Lansing	New York	14882	(607) 533-6601
Sarah	Sugden	53-59 Public Square suite #202	Watertown	New York	13601	(315) 786-3225
Sarah	Sugden	544 Town Drive	Fayetteville	New York	13066	(315) 637-8800
Sarah	Sugden	26000 US Rt 11, suite 2	Evans Mills	New York	13637	(315) 755-1600
Tom	Flanagan	1333 Front Street	Binghamton	New York	13901	(607) 648-4646
Tom	Flanagan	34 Front Street	Binghamton	New York	13905	(607) 304-4546
Lou	Obergh	3430 Sunrise Highway	Wantagh	New York	11793	(516) 568-4444
Lou	Obergh <sup>2</sup>	28-18 31st Street, 2nd Floor	Astoria	New York	11102	(516) 568-4444
Lou	Obergh	140 West Merrick Road, Valley Stream, NY 11580	Valley Stream	New York	11580	(516) 568-4444
Lou	Obergh	910 Route 109	Lindenhurst	New York	11757	(516) 568-4444
Lou	Obergh	2633 Main Street	Buffalo	New York	14214	(716) 342-1100
Jeffery	Chow	1400 5th Ave, Ste 6	New York	New York	10026	(212) 996-3303
Michele	King	127 East 1st Street	Oswego	New York	13126	(315) 207-2222
Michele	King	113 Schuyler St.	Fulton	New York	13069	(315) 593-1740
Ahmed	Elseli	9433 5th Ave	Brooklyn	New York	11209	(833) 393-0658
Ahmed	Abdelaal	7406 5th Avenue	Brooklyn	New York	11209	(347) 909-3632
John	Koniuto	153 Oakdale Road Suite 2	Johnson City	New York	13790	(607) 217-0827
Andrew	Ready	111 Hyannis Dr.	Holly Springs	North Carolina	27540	(919) 303-3331
Andrew	Ready	115 Parkway Office Court, Suite 101	Cary	North Carolina	27518	(919) 267-6226
Yonica	Rodio	4214 N. Roxboro St, Suite 100	Durham	North Carolina	27704	(919) 479-9001
Marci	Lait	4917 S Croatan Highway Unit 1C	Nags Head	North Carolina	27959	(252) 489-4682
Dama	Conti	1300 Corporation Parkway, Suite 8	Raleigh	North Carolina	27610	(919) 917-7729

Dama	Conti	200 Bratton Drive	Garner	North Carolina	27529	(919) 917-7729
Dama	Conti	106 Farm Brook Drive	Lumberton	North Carolina	28358	(919) 917-7729
Ryan & Jonathon	Hubbard	10761 Park Road	Pineville	North Carolina	28210	(980) 237-5987
Scott	Thayer	287-A Williamson Road	Mooresville	North Carolina	28117	(704) 360-5511
Aaron	Beck	928 Copperfield Blvd NE	Concord	North Carolina	28025	(704) 885-1447
Bart	Nikiciuk	11218 Providence Road West	Charlotte	North Carolina	28277	(704) 780-1558
Rucha	Patel	6437 Old Monroe Road Suite E	Indian Trail	North Carolina	28079	(704) 686-7767
Peggy	LaRue	111 James Jackson Ave Suite 101	Cary	North Carolina	27513	(919) 651-0050
Bruce	Celek	6425 Wilkinson Blvd.	Belmont	North Carolina	28012	(330) 607-6631
Mayank	Patel	9920 Couloak Drive	Charlotte	North Carolina	28216	(704) 806-7114
David	Wickham	1125 NC Hwy 54, Suite 503	Durham	North Carolina	27707	(910) 297-5918
Roy	Oake	2467 S 17th Street	Wilmington	North Carolina	28401	(732) 267-4829
Michael	Marchetto	100 Timberhill Pl, Units 115 & 117	Chapel Hill	North Carolina	27514	(919) 322-9007
Kelly	Leu	204 S. King Street	Hendersonville	North Carolina	28792	(614) 397-5280
Gennytza	Furne	150 Francam Dr., Suite 124	Fayetteville	North Carolina	28311	(910) 797-2148
Marcus	Hieb	1000 Tacoma Ave Suite 500	Bismarck	North Dakota	58501	(701) 751-3001
Marcus	Hieb	3231 Greensboro Drive, Suite 102	Bismarck	North Dakota	58503	(701) 354-1200
Marcus	Hieb	110 West Broadway	Steele	North Dakota	58482	(701) 475-2911
Marcus	Hieb	61 South Central Ave Suite 6	Beach	North Dakota	58621	(701) 872-3001
Alan and Chris	Howell	5400 Kennedy Ave	Cincinnati	Ohio	45213	(513) 618-7878
Alan and Chris	Howell	5026 Delhi Road	Cincinnati	Ohio	45238	(513) 922-5600
George	Summers	7735 State Route 45, Suite E	Lisbon	Ohio	44432	(330) 424-9033
George	Summers <sup>2</sup>	912 E Lincoln Way	Minerva	Ohio	44657	(330) 868-4362
George	Summers <sup>2</sup>	1652 South Union Ave	Alliance	Ohio	44601	(330) 680-9190
Robert	Frank	1 Elizabeth Place West Medical Plaza	Dayton	Ohio	45417	(937) 277-2077
Aaron	Cook	7257 Center Street	Mentor	Ohio	44060	(440) 740-8877
Mark	McAuliffe	5941 Snider Road	Mason	Ohio	45040	(513) 334-0600
Kimberly	Rippe	784 Miamiville Road	Loveland	Ohio	45140	(513) 774-3600
Eric	Stacks	25955 Detroit Road	Westlake	Ohio	44145	(330) 807-2431
John	Wheatley	685 Lyons Road	Washington Township	Ohio	45459	(937) 938-1104
David	Choma	12241 Pearl Road	Strongsville	Ohio	44136	(330) 554-7370
David	Taylor	224 West Olentangy Street	Powell	Ohio	43065	(614) 460-9507
Nick	Hamulak	2260 W. Henderson Road	Columbus	Ohio	43220	(614) 266-0936
David	Linger	7243 Beechmont Ave	Cincinnati	Ohio	45230	(513) 802-2555
Lauren	Peterson	7415 N May Ave	Oklahoma City	Oklahoma	73116	(405) 400-8909

Brant	Lewis	11203 Sunnyside Drive	Clackamas	Oregon	97015	(503) 698-5500
Brant	Lewis	180 SE Hwy 224	Estacada	Oregon	97023	(503) 698-5500
Brant	Lewis	270 N. Molalla Avenue	Molalla	Oregon	97038	(503) 698-5500
Brant	Lewis	16577 Boones Ferry Rd	Lake Oswego	Oregon	97035	(503) 698-5500
Aaron	Frye	3838 Pacific Ave	Forest Grove	Oregon	97116	(503) 357-1706
Aaron	Anders	1911 United Way	Medford	Oregon	97504	(630) 320-1111
Mike	Teater	1505 NE 40th Ave Suite C	Portland	Oregon	97232	(360) 949-5846
Mike	Teater	15970 SW Tualatin-Sherwood Rd	Sherwood	Oregon	97140	(360) 949-5846
Ting	Oh	1077 N. Church Street	Hazleton	Pennsylvania	18202	(570) 501-1808
Ting	Oh	1544 Route 61 Hwy S	Pottsville	Pennsylvania	17901	(570) 501-1808
John	Reynolds	18 Green Street	Souderton	Pennsylvania	18964	(215) 723-9069
Karla	Mazza	512 E. Columbus Ave	Corry	Pennsylvania	16407	(814) 664-9346
Karla	Mazza	6000 West Ridge Road, Suite A	Erie	Pennsylvania	16506	(814) 315-3998
Karla	Mazza	4057 Buffalo Road	Erie	Pennsylvania	16510	(814) 841-3830
Karla	Mazza	8270 Peach Street Suite 400	Erie	Pennsylvania	16509	(814) 664-9346
Lorri	Lankiewicz	601 A Pittsburgh Road, Suite 100	Butler	Pennsylvania	16002	(724) 481-1141
Mike	Rairigh	3135 Highland Rd Suite B	Hermitage	Pennsylvania	16148	(724) 347-2005
Tim	Earman	110 Breckenridge Street	Grove City	Pennsylvania	16127	(724) 264-4255
Jose	Dominguez	6375 Mercury Drive.	Mechanicsburg	Pennsylvania	17050	(717) 591-3000
Jose	Dominguez	6402 Carlisle Pike	Mechanicsburg	Pennsylvania	17050	(717) 590-7215
Joe	Stroz	1304 Graham Ave	Windber	Pennsylvania	15963	(814) 509-6089
Todd	Exley	2001 Waterdam Plaza Drive Unit 102	McMurray	Pennsylvania	15317	(724) 941-7070
Todd	Exley	3441 Millers Run Road, Suite 104	Cecil	Pennsylvania	15321	(724) 338-2062
Todd	Exley	6011 Baptist Road, Suite 100	Pittsburgh	Pennsylvania	15236	(412) 347-0022
Barry	Brown	11050 Buchanan Trail East	Waynesboro	Pennsylvania	17268	(717) 643-1008
Christopher	Orlando	1146 S. Cedar Crest Blvd	Allentown	Pennsylvania	18103	(914) 907-7588
Shellie	Spero	3127 Washington Pike	Bridgeville	Pennsylvania	15017	(919) 961-3921
Rob	Svitek	2526 Monroeville Boulevard	Monroeville	Pennsylvania	15146	(412) 600-8728
Chintan	Patel	900 West Baltimore Pike, Suite 103	West Grove	Pennsylvania	19390	(717) 752-2658
Brett	Russell	600 N Hwy 25	Travelers' Rest	South Carolina	29690	(864) 834-4995
Phil	Saccogna	115 Whitmire Road	Easley	South Carolina	29640	(864) 855-2411
Bob	Puchalski	110 Highland Center Drive Suite 200	Columbia	South Carolina	29203	(803) 424-2200
Melissa	Shumate	1210 S Cashua Street Suite 8 and 9	Florence	South Carolina	20550	(843) 799-5415
Scott	Thayer	107A Aaron Tippin Drive	Greer	South Carolina	29650	(864) 416-7131
Scott	Thayer	52 Bear Dr	Greenville	South Carolina	29605	(704) 360-5511
Michael	Arnold	63-145 Towne Drive, Unit #69	Bluffton	South Carolina	29910	(484) 515-1023
Sarah	Powell	101 Tower Rd, Ste. 120	Dakota Dunes	South Dakota	57049	(712) 389-4155
Danny	Long	520 Cook St # D	Madisonville	Tennessee	37354	(423) 442-1440
Danny	Long	665 New Highway 68 #F	Sweetwater	Tennessee	37874	(423) 536-7036

Charlie	Jones	5000 Alpha Lane, Suite A	Hixson	Tennessee	37343	(423) 877-4599
Charlie	Jones	6121 Shallowford Rd, Suite	Chattanooga	Tennessee	37421	(423) 877-4599
David	Edwards	3477 Poplar Avenue	Memphis	Tennessee	38111	(901) 356-7201
Wil	Putt	4694 Lebanon Pike	Hermitage	Tennessee	37076	(704) 345-4871
Vicki	Rodriguez	1714 Boca Chica Blvd	Brownsville	Texas	78520	(956) 544-2401
Vicki	Rodriguez	1090 E Alton Gloor Blvd	Brownsville	Texas	78520	(956) 544-2401
Scott	Mcgough	724 W. Main #180	Lewisville	Texas	75067	(972) 434-6024
Scott	Mcgough	4145 S Interstate 35 E # 107	Denton	Texas	76210	(940) 270-8484
Jeff	Pottenger	2406 Commercial Ave	San Antonio	Texas	78224	(210) 921-1599
Jay	Chavda	7737 Southwest Fwy # 300	Houston	Texas	77074	(713) 774-2090
Denise	Campbell	1845 Northwestern Drive	El Paso	Texas	79912	(915) 877-9356
Jean	Lin	11589 S Wilcrest Dr.	Houston	Texas	77099	(281) 575-8288
Jean	Lin	9889 Bellaire Blvd STE 250	Houston	Texas	77036	(713) 773-2890
Daniel	Kasprowicz	1411 South Main Street	Boerne	Texas	78006	(830) 249-7211
Luis	Zuniga	4758 Loma Del Sur	El Paso	Texas	79934	(915) 755-0738
Luis	Zuniga	8111 N. Loop	El Paso	Texas	79907	(915) 593-4985
Luis	Zuniga	4646 N. Mesa	El Paso	Texas	79912	(915) 313-6331
Luis	Zuniga	2270 Joe Battle Blvd, Suite R	El Paso	Texas	79938	(915) 855-7780
Luis	Zuniga	13472 Eastlake Blvd #A	Horizon City	Texas	79928	(915) 296-3005
Carren	Whitt	1136 E Grande Blvd	Tyler	Texas	75703	(903) 363-9252
Leslie	Glenn	6801 Indiana Ave	Lubbock	Texas	79413	(806) 785-7900
Leslie	Glenn	5244 114th St	Lubbock	Texas	79424	(806) 785-7900
Ryan	Guillory	709 Hollybrook Drive Suite 5605	Longview	Texas	75605	(903) 212-9456
Nandita	Shah	5804 Coit Rd.	Plano	Texas	75023	(972) 767-7273
Vivek	Shah	5930 West Park Blvd	Plano	Texas	75093	1 (972) 808-6338
Gene and Diana	Lopez	3201 Airline Suite D& E	Corpus Christi	Texas	78414	(361) 334-1033
Jeremy	Watkins	5751 Edwards Ranch Rd, Suite 200	Fort Worth	Texas	76109	(817) 332-8848
Gary	Haun	3415 S. Johnson Ave	San Angelo	Texas	76904	(325) 262-4198
Jayne	Thomas	800 Bonaventure Way Suite O-2	Sugar Land	Texas	77478	(832) 559-2900
Jayne	Thomas	10401 South Mason Road, Unit E505	Richmond	Texas	77406	(832) 559-2900
Joe	Rosen	22100 Bulverde Rd. Suite 108	San Antonio	Texas	78259	(210) 272-0055
Brad	Grissman	409 N. Oak Street Suite 220	Roanoke	Texas	76262	(682) 502-4440
Kirk	Painter	915 Hwy 80	San Marcos	Texas	78666	(512) 353-4575
Kirk	Painter	201 FM 3237	Wimberley	Texas	78676	(512) 847-9057
Nicole	Bryan	1790 King Arthur Blvd. #120	Carrollton	Texas	75010	(469) 701-8989
Senec	Desai	5330 Hwy 6 Suite #116	Missouri City	Texas	77459	(281) 385-9919
Madhu	Polimeru	7502 Eldorado Parkway	McKinney	Texas	75070	(469) 424-3212
Allen	Martin	8401 Boulevard 26	North Richland Hills	Texas	76180	(817) 898-8444
Michael	Grimm	11930 Barker Cypress RD suite 300	Cypress	Texas	77433	(214) 669-0111
Sarah	Whitworth	3903 US 75 Suite 100	Sherman	Texas	75090	(903) 518-8678
Rolf	Schultz	1700 E. Palm Valley, Suite 395	Round Rock	Texas	78664	(512) 399-9059



Ryan	Mann	23144 Cinco Ranch Blvd 23144-E	Katy	Texas	77494	(713) 294-9766
Ryan	Mann	15210 Interstate 45 S, Suite 108	Conroe	Texas	77384	(956) 544-2401
Alexandra	Valenzuela	751 S Beckham Avenue	Tyler	Texas	75701	(806) 640-4843
Vincent	Mai	9665 N Central Expressway Suite 120	Dallas	Texas	75231	(214) 274-1078
Mark	Oordt	14439 NW Military Hwy Suite 107	Shavano Park	Texas	78231	(726) 201-4290
Alan	Rex	1400 W Northwest Hwy, Suite 100	Grapevine	Texas	76051	(214) 477-8819
Blaine	Stribling	1729 North Central Expressway Unit A	Plano	Texas	75075	(972) 741-6512
Brandon	Holbert	3930 Glade Road Suite 124	Colleyville	Texas	76034	(228) 209-3371
Jason	Grutzius	1400 N Coit Rd, Suite 606	McKinney	Texas	75071	(708) 369-0106
Jason	Grutzius	1815 W Campbell Rd, Unit 2	Garland	Texas	75044	(708) 369-0106
Jason	Grutzius	2626 Stonebrook Parkway Suite 500	Frisco	Texas	75034	(469) 252-0433
Steve	Welch	651 N Business IH-35 Ste 415	New Braunfels	Texas	78130	(806) 787-4844
Patrick	Figueiredo	200 Miller's Crossing, Suite 102	Harker Heights	Texas	76548	(516) 522-3651
Lauren	Byrd	20818 Gathering Oak Drive	San Antonio	Texas	78260	(202) 957-2269
Eddie	Kirby	6222 De Zavala Rd, Ste 101	San Antonio	Texas	78249	(210) 721-1510
George	Lee	5770 N. Mo-Pac Expressway North	Austin	Texas	78731	(210) 365-2866
Steven	Cunningham	5526 Buffalo Gap Rd	Abilene	Texas	79606	(325) 665-3772
Arturo	Cortez	6500 N. 10th Street, Suite #J	McAllen	Texas	78504	(956) 203-6998
Tommie	Baugh	9001 Brodie Lane	Austin	Texas	78748	(512) 656-9593
Phily	Philip	3030 East 29th Street	Bryan	Texas	77802	(979) 450-2897
Jeff	Spencer	400 N Texas Ave #C	Webster	Texas	77598	(281) 682-2498
Miguel	Avila	6620 Cypresswood Dr., Suite 180	Spring	Texas	77379	(281) 203-9491
Bob	Sumsion	1184 E 80 N #F	American Fork	Utah	84003	(801) 756-7777
Steve	Robbins	405 E 12450 S Suite F & G (New Location)	Draper	Utah	84020	(801) 571-6600
Ben	Anderson	5770 South 250 East #415	Murray	Utah	84107	(801) 268-2822
Alan,Tobin and Tyler	Bluth	345 West 600 South Suite 200	Heber City	Utah	84032	(435) 654-5607
Sydney	Swindell	62 Merchants Row	Williston	Vermont	05495	(802) 857-5407
Mike	Siegel	44927 George Washington Blvd Suite 210	Ashburn	Virginia	20147	(571) 291-9936
Lisa	Okerlund	500 Independence Pkwy, Suite 100	Chesapeake	Virginia	23320	(757) 290-0202
David	Ebbecke	8551 Rixlew Lane STE 340	Manassas	Virginia	20109	(703) 368-7343
David	Ebbecke	7051 Heathcote Village Way #260	Gainesville	Virginia	20155	(571) 755-6040
Holly	Rigney	19490 Sandridge Way Suite 250	Lansdowne	Virginia	20176	(703) 858-5885
Maria	Cruz	6408 Grove Dale Drive Suite 102	Alexandria	Virginia	22310	(703) 884-8490
Keisha	Hooper <sup>2</sup>	1400 Crown Court Suite 201	Woodbridge	Virginia	22193	(703) 499-8787
George	Leppert	11410 Reston Station Blvd	Reston	Virginia	20190	(713) 409-3483
George	Leppert	603 W. Broad Street	Falls Church	Virginia	22046	(713) 409-3483
Jeff	Moten	3167 Lauderdale Drive	Richmond	Virginia	23233	(804) 991-4600
Eileen	Salvi	11408-11412 Belvedere Vista Ln	Midlothian	Virginia	23235	(301) 980-4301
Eric	Short-Miller	2075 Barkley Blvd # 200	Bellingham	Washington	98226	(360) 733-4008
Jason	Wilwert	500 W Fir Street	Sequim	Washington	98382	(360) 683-0632

Jason	Wilwert	1215 Lawrence Street #101	Port Townsend	Washington	98368	(360) 385-1035
Lisa	Scheuffele	10119 Highway 12 SW	Rochester	Washington	98579	(360) 273-4747
Tiffany	Jenson	910 N Washington	Spokane	Washington	99201	(509) 568-3900
Mike	Teater	1905 SE 192 Ave Suite #109	Camas	Washington	98607	(360) 949-5846
Mike	Teater	926 NE 139th St #102	Vancouver	Washington	98685	(360) 433-1856
Ramanathan	Supramanian	22118 20th Ave SE Suite 139	Bothell	Washington	98021	(425) 286-5610
Matt	Gibbons	W 229 N 1416 Westwood Drive Suite #4	Waukesha	Wisconsin	53186	(262) 349-9297
Rena	Rombach	445 WI-70	Grantsburg	Wisconsin	54840	(715) 463-2075
Robin	Lestikow	7404 Mineral Point Road	Madison	Wisconsin	53717	(920) 318-1171
Douglas	Wilson	1217 A South Greeley Hwy	Cheyenne	Wyoming	82007	(307) 772-0955
Douglas	Wilson	322 N Main St	Pine Bluffs	Wyoming	82082	(307) 201-2051
Douglas	Wilson	611 E Carlson Street Suite 117	Cheyenne	Wyoming	82009	(307) 772-0955
Douglas	Wilson	1620 E Pershing Ave	Cheyenne	Wyoming	82001	(307) 772-0955
Charlie	Wassum	120 S 17th Street	Worland	Wyoming	82401	(307) 347-4001
Charlie	Wassum	631 Greybull Ave	Greybull	Wyoming	82426	(307) 347-4001

- 1 Outlets refer to the number of open Centers. Multiple Centers may be operated under a single franchise agreement.
- 2 This outlet is temporarily closed.

**LIST OF FRANCHISEES WHO HAVE SIGNED AGREEMENTS  
BUT NOT OPENED OUTLETS AS OF  
DECEMBER 31, 2024**

<b>Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone</b>
Sippu Momin	3780 Riverchase Village	Hoover	Alabama	35244	(205) 613-1787
Sippu Momin	3780 Riverchase Village	Hoover	Alabama	35244	(205) 613-1787
Allen Johnson	202 Orange Ave	Fairhope	Alabama	36532	(251) 609-1574
Allen Johnson	202 Orange Ave	Fairhope	Alabama	36532	(251) 609-1574
Denise Campbell	1845 Northwestern Drive	El Paso	Arizona	79912	(575) 521-4188
Denise Campbell	1845 Northwestern Drive	El Paso	Arizona	79912	(575) 521-4188
Denise Campbell	1845 Northwestern Drive	El Paso	Arizona	79912	(575) 521-4188
Sarah Sugden	14239 West Bell Road	Surprise	Arizona	85374	(315) 786-3225
Tim Schnautz	8031 W Briden Ln	Peoria	Arizona	85383	(623) 261-5666
Tim Schnautz	8031 W Briden Ln	Peoria	Arizona	85383	(623) 261-5666
Belen DeLeon	633 S. Estrella Parkway, Suite 3-120	Goodyear	Arizona	85338	(210) 831-2351
Belen DeLeon	8695 S 165th Ave	Goodyear	Arizona	85338	(210) 831-2351
Melissa Sarhan	5957 W. Northern Avenue, Suite 117	Glendale	Arizona	85301	(801) 550-6059
Meghan MacArdy	3710 W. Overton Rd., Suite B	Tuscon	Arizona	85742	(608) 547-3531
Meghan MacArdy	6455 West Triangle Cross Way	Marana	Arizona	85658	(608) 547-3531
Pravit Srikureja	12725 West Indian School Rd, Suite E-101	Avondale	Arizona	85392	(236) 458-7672
Pravit Srikureja	12725 West Indian School Rd, Suite E-101	Avondale	Arizona	85392	(236) 458-7672
Jim Wollscheid	8800 Canterbury Cv	Fort Smith	Arkansas	72903	(479) 478-6869
Simon Buesnel	220 Santa Paula Avenue	San Francisco	California	94127	(415) 264-8953
Simon Buesnel	220 Santa Paula Avenue	San Francisco	California	94127	(415) 264-8953
Aaron Carter	10624 Rhinestone Dr.	Colorado Springs	Colorado	80908	(803) 201-4587
Aaron Carter	10624 Rhinestone Dr.	Colorado Springs	Colorado	80908	(803) 201-4587
Aaron Carter	10624 Rhinestone Dr	Colorado Springs	Colorado	80908	(803) 201-4587
Johneen Buffard	25979 East Bayaud Ave	Aurora	Colorado	80018	(303) 921-5910
Johneen Buffard	25979 East Bayaud Ave	Aurora	Colorado	80018	(303) 921-5910
Johneen Buffard	25979 East Bayaud Ave	Aurora	Colorado	80018	(303) 921-5910
Michael Tu	41 North Main Street	Norwalk	Connecticut	06854	(917) 841-4526
John Grazen	90 Wall St., #100	Madison	Connecticut	06443	(860) 876-3981
John Grazen	418 Bartlett Dr	Madison	Connecticut	06443	(860) 876-3981
John Grazen	418 Bartlett Dr	Madison	Connecticut	06443	(860) 876-3981
Jessica Hubbard	61 South Main	West Hartford	Connecticut	06107	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231
Jessica Hubbard	31 Spruce Drive	Litchfield	Connecticut	06759	(914) 439-3231

Nasir Mohammad	476 Wolcott St	Waterbury	Connecticut	06705	(718) 207-0786
Vince Adofoli	12 Pennington Street Ste 200	Middletown	Delaware	19709	(302) 321-5310
Brian Gilbert	4 Swallow Hill Road	Wilmington	Delaware	19807	(302) 299-3067
Brian Gilbert	4 Swallow Hill Road	Wilmington	Delaware	19807	(302) 299-3067
Nathan Robertson	1109 Churchmans Rd,Unit 1123	Newark	Delaware	19713	(571) 225-5007
Nathan Robertson	3105 Limestone Road Suite 100	Wilmington	Delaware	19808	(571) 225-5007
Idler Bonhomme	6388 Silver Star Rd 1E	Orlando	Florida	32818	(321) 369-9133
Idler Bonhomme	6388 Silver Star Rd 1E	Orlando	Florida	32818	(321) 369-9133
Ronald Chunga	18393 SW 136 Ave	Miami	Florida	33177	(305) 898-8096
Ronald Chunga	18393 SW 136 Ave	Miami	Florida	33177	(305) 898-8096
Travis McHenry	107 Reese Court	Ocoee	Florida	34761	(727) 432-9940
Travis McHenry	107 Reese Court	Ocoee	Florida	34761	(727) 432-9940
Dan Plante	6426 3rd Ave South	St. Petersburg	Florida	33707	(727) 642-4820
Marvin Mora	10520 SW Waterway Lane	Port Saint Lucie	Florida	34987	(407) 529-9275
John Remensnyder	17113 Harbour Vista Circle	Saint Augustine	Florida	32080	(803) 743-2919
John Remensnyder	17113 Harbour Vista Circle	Saint Augustine	Florida	32080	(803) 743-2919
John Remensnyder	17113 Harbour Vista Circle	Saint Augustine	Florida	32080	(803) 743-2919
Rob Stewart	135 SW Nightshade Dr	Lake City	Florida	32024	(386) 867-2059
Rob Stewart	135 SW Nightshade Dr	Lake City	Florida	32024	(386) 867-2059
Aveni Patel <sup>1</sup>	17835 Gourd Neck Loop	Winter Garden	Florida	34787	(404) 456-8853
Aveni Patel <sup>1</sup>	17835 Gourd Neck Loop	Winter Garden	Florida	34787	(404) 456-8853
Aveni Patel <sup>1</sup>	17835 Gourd Neck Loop	Winter Garden	Florida	34787	(404) 456-8853
Aveni Patel <sup>1</sup>	17835 Gourd Neck Loop	Winter Garden	Florida	34787	(404) 456-8853
Charles Lubrido	3481 Benson Park Blvd	Orlando	Florida	32829	(407) 492-8082
Charles Lubrido	3481 Benson Park Blvd	Orlando	Florida	32829	(407) 492-8082
Charles Lubrido	3481 Benson Park Blvd	Orlando	Florida	32829	(407) 492-8082
Charles Lubrido	3481 Benson Park Blvd	Orlando	Florida	32829	(407) 492-8082
Charles Lubrido	3481 Benson Park Blvd	Orlando	Florida	32829	(407) 492-8082
John Minella	704 Horton St.	New Smyrna	Florida	32169	(770) 235-0071
Lynn Bandy	2620 Blanding Blvd., Unit 11	Middleburg	Florida	32068	(904) 564-0029
Robert Armstrong	6619 Allison Way	Pace	Florida	32571	(904) 994-6321
Robert Armstrong	6619 Allison Way	Pace	Florida	32571	(904) 994-6321
Bridget Hathcock	1556 E Forsyth St. Suite A	Americus	Georgia		(229) 322-5880
Bridget Hathcock	1556 E Forsyth St. Suite A	Americus	Georgia		(229) 322-5880
Scott Nix	2656 Dogwood Terrace	Brookhaven	Georgia	30319	(404) 213-1683
Kevin Kampley	3820 Pleasant Hill Road, Suite 4	Duluth	Georgia	30096	(415) 577-3987
Kevin Kampley	3135 Cypress Pond Pass	Duluth	Georgia	30097	(415) 577-3987
Jim Taylor	2211 Glenridge Ln	Cumming	Georgia	30041	(678) 595-7532
Jim Taylor	2211 Glenridge Ln	Cumming	Georgia	30041	(678) 595-7532
Jim Taylor	2211 Glenridge Ln	Cumming	Georgia	30041	(678) 595-7532
Denise Etter	3022 Lawson Dr	Marietta	Georgia	30064	(678) 274-7778
Denise Etter	3022 Lawson Dr	Marietta	Georgia	30064	(678) 274-7778
Denise Etter	3022 Lawson Drive	Marietta	Georgia	30064	(678) 274-7778
Denise Etter	3022 Lawson Drive	Marietta	Georgia	30064	(678) 274-7778
Denise Etter	3022 Lawson Drive	Marietta	Georgia	30064	(678) 274-7778
Ion Toma	4342 Collingham Trace NE	Marietta	Georgia	30068	(404) 578-0233
Elizabeth Robertson	2466 Regency Lake Drive	Marietta	Georgia	30062	(678) 451-5974
Elizabeth Robertson	2466 Regency Lake Drive	Marietta	Georgia	30062	(678) 451-5974

Elizabeth Robertson	2466 Regency Lake Drive	Marietta	Georgia	30062	(678) 451-5974
Geana Dennis	130 Sharp St.	Bremen	Georgia	30110	(404) 556-0031
Mark McLaren	3755 Bridle Ridge Dr	Suwanee	Georgia	30024	(404) 384-4756
Sheiv Kumar	3824 Chattahoochee Summit Dr SE	Atlanta	Georgia	30339	(256) 225-3085
Lori Hargis	3225 Cown Rd	Loganville	Georgia	30052	(770) 853-0462
Lori Hargis	3225 Cown Rd	Loganville	Georgia	30052	(770) 853-0462
Brad Greeson	351 8th St. NE	Atlanta	Georgia	30309	(520) 235-4542
Gunjan Patel	3645 E. Overland Road	Meridian	Idaho	83642	(208) 703-4950
David Dowdy	115 N. LaGrange Road, Suite 300	La Grange	Illinois	60525	(630) 318-3000
Sachin Haralkar	2268 Glouceston Lane	Naperville	Illinois	60564	(312) 975-7045
Eric Sato	381 W Prairie Walk Lane	Round Lake	Illinois	60073	(224) 688-5897
Eric Sato	381 W Prairie Walk Lane	Round Lake	Illinois	60073	(224) 688-5897
Michael Blitstein	1617 Provenance Way	Northbrook	Illinois	60062	(847) 770-1415
Michael Blitstein	1617 Provenance Way	Northbrook	Illinois	60062	(847) 770-1415
Shail Shah	2401 Kaneville Road, Suite 5	Geneva	Illinois	60134	(630) 359-1935
Shail Shah	2401 Kaneville Road, Suite 5	Geneva	Illinois	60134	(630) 359-1935
Rakesh Giredy	755 W Carmel Dr., Suite 113	Carmel	Indiana	46032	(317) 225-9167
Rakesh Giredy	5695 Gateway East Dr	Whitestown	Indiana	46075	(317) 225-9167
Rakesh Giredy	5695 Gateway East Dr	Whitestown	Indiana	46075	(317) 225-9167
Rakesh Giredy	5695 Gateway East Dr	Whitestown	Indiana	46075	(317) 225-9167
Rakesh Giredy	5695 Gateway East Dr	Whitestown	Indiana	46075	(317) 225-9167
Anthony Macaluso	714 Dublin Street	New Orleans	Louisiana	70118	(504) 908-7481
Anthony Macaluso	714 Dublin Street	New Orleans	Louisiana	70118	(504) 908-7481
Anthony Macaluso	714 Dublin Street	New Orleans	Louisiana	70118	(504) 908-7481
Anthony Macaluso	714 Dublin Street	New Orleans	Louisiana	70118	(504) 908-7481
Greg Monroe	3700 Lapalco Boulevard, Suite "A"	Harvey	Louisiana	70068	(504) 715-8101
Greg Monroe	218 Sycamore Dr	Metairie	Louisiana	70065	(504) 715-8101
Greg Monroe	218 Sycamore Dr	Metairie	Louisiana	70065	(504) 715-8101
William Beane	122 Jillian Way	Glenburn	Maine	04401	(831) 212-0981
William Beane	122 Jillian Way	Glenburn	Maine	04401	(831) 212-0981
Kalindi Thakrar	4101 Hogg Ct	Ellicott City	Maryland	21043	(443) 833-2595
Mahesh Zarkar	12200 Basslers Way	Clarksville	Maryland	21029	(443) 949-6023
Mahesh Zarkar	12200 Basslers Way	Clarksville	Maryland	21029	(443) 949-6023
Mahesh Zarkar	12200 Basslers Way	Clarksville	Maryland	21029	(443) 949-6023
Mojdeh Ilbeig	408 Rutgers St	Rockville	Maryland	20850	(301) 378-3386
Mojdeh Ilbeig	408 Rutgers St	Rockville	Maryland	20850	(301) 378-3386
Omar Khan	505 Dutchman's Lane	Easton	Maryland	21601	(207) 974-7372
Ome Patel	16608 Heartwood Dr	Rockville	Maryland	20855	(616) 634-4687
Ome Patel	16608 Heartwood Dr	Rockville	Maryland	20855	(616) 634-4687
Ome Patel	16608 Heartwood Dr	Rockville	Maryland	20855	(616) 634-4687
Manny Aniebonam	20 Jaystone Ct. Silver Spring	Silver Spring	Maryland	20905	(240) 938-3321
Adarsh Vasanth	1511 Great Pond Rd	North Andover	Massachusetts	01845	(617) 733-5537
Garfield Drummond	1 Greystone Road	Dover	Massachusetts	02030	(917) 335-4608
Garfield Drummond	1 Greystone Road	Dover	Massachusetts	02030	(917) 335-4608

Tim Hughes	20 Speen Street, Unit 1-02	Framingham	Massachusetts	01701	(617) 412-8777
Tim Hughes	44 Winthrop St.	Newton	Massachusetts	02465	(617) 412-8777
Tim Hughes	44 Winthrop St.	Newton	Massachusetts	02465	(617) 412-8777
Brad Guth	200 Great Road, Suite 11	Bedford	Massachusetts	01730	(781) 864-7067
Brad Guth	10 Partridge Lane	Concord	Massachusetts	01742	(781) 864-7067
Brad Guth	10 Partridge Lane	Concord	Massachusetts	01742	(781) 864-7067
Christopher Correnti	49 Main Street	Franklin	Massachusetts	02038	(508) 439-9603
Christopher Correnti	15 Quick Farm Road	Westborough	Massachusetts	01581	(508) 439-9603
Christopher Correnti	15 Quick Farm Road	Westborough	Massachusetts	01581	(508) 439-9603
Christopher Correnti	15 Quick Farm Road	Westborough	Massachusetts	01581	(508) 439-9603
Christopher Correnti	15 Quick Farm Road	Westborough	Massachusetts	01581	(508) 439-9603
Christopher Correnti	15 Quick Farm Road	Westborough	Massachusetts	01581	(508) 439-9603
Bruce Duncan	348 Long Rapids Plaza	Alpena	Michigan	49707	(989) 464-8435
Chirag Shah	3082 Camden Dr	Troy	Michigan	48084	(586) 876-9691
Jennifer Sear	10136 St Ives Way	Grand Blanc	Michigan	48439	(248) 798-6631
Jennifer Sear	10136 St Ives Way	Grand Blanc	Michigan	48439	(248) 798-6631
Timmy Nafso	30770 Southfield Road	Southfield	Michigan	48076	(248) 514-6006
Paul Stein	2191 South Mission Street	Mt. Pleasant	Michigan	48858	(616) 437-7851
Paul Stein	16182 20 Mile Rd	Big Rapids	Michigan	49307	(616) 437-7851
Manjunath Yerragunta	7751 Amana Trail Suite 300	Inver Grove Heights	Minnesota	55077	(651) 202-8999
Manjunath Yerragunta	15258 Ely Ave	Apple Valley	Minnesota	55124	(651) 202-8999
Manjunath Yerragunta	15258 Ely Ave	Apple Valley	Minnesota	55124	(651) 202-8999
Peter Czachor	5227 West 73rd	Edina	Minnesota	55439	(763) 443-7322
Peter Czachor	1860 Roselawn Ave. West	Falcon Heights	Minnesota	55113	(763) 443-7322
Peter Czachor	1860 Roselawn Ave. West	Falcon Heights	Minnesota	55113	(763) 443-7322
Matt Kramer	1563 Highland Valley Circle	Wildwood	Missouri	63005	(314) 280-1887
Matt Kramer	1563 Highland Valley Circle	Wildwood	Missouri	63005	(314) 280-1887
Scottie Brown	180 N. Forsyth Blvd.	Clayton	Missouri	63105	(314) 898-8265
Scottie Brown	180 N. Forsyth Blvd.	Clayton	Missouri	63105	(314) 898-8265
Demir Devecigil	231 Salt Lick Rd.	St Peters	Missouri	63376	(314) 753-3523
Demir Devecigil	1713 Doris Walter Ln	St Charles	Missouri	63303	(314) 753-3523
Demir Devecigil	1713 Doris Walter Ln	St Charles	Missouri	63303	(314) 753-3523
James Nafso	5230 S. Boulder Highway, Suite 135	Henderson	Nevada	89122	(248) 514-6006
Rohit Khetarpal	9 Sky Country Drive	Nashua	New Hampshire	03062	(732) 595-6534
Rohit Khetarpal	9 Sky Country Drive	Nashua	New Hampshire	03062	(732) 595-6534

Roosevelt Enajekpo	420 Bergen Ave.	Jersey City	New Jersey	07304	(302) 562-3327
Roosevelt Enajekpo	420 Bergen Ave.	Jersey City	New Jersey	07304	(302) 562-3327
Roosevelt Enajekpo	420 Bergen Ave	Jersey City	New Jersey	07304	(302) 562-3327
Astaire Perez	216 Shunpike Road	Chatham	New Jersey	07928	(917) 797-9149
Nelson Dunn	932 Pines Terrace	Franklin Lakes	New Jersey	07417	(917) 355-6851
Nelson Dunn	932 Pines Terrace	Franklin Lakes	New Jersey	07417	(917) 355-6851
Todd Spidare	46 Milestone Dr	Ringoes	New Jersey	08551	(513) 254-8407
Todd Spidare	46 Milestone Dr	Ringoes	New Jersey	08551	(513) 254-8407
Todd Spidare	46 Milestone Dr	Ringoes	New Jersey	08551	(513) 254-8407
Todd Spidare	46 Milestone Dr	Ringoes	New Jersey	08551	(513) 254-8407
Tahseen Hussain	8 McBride Rd	Manalapan	New Jersey	07726	(732) 429-2169
Tahseen Hussain	8 McBride Rd	Manalapan	New Jersey	07726	(732) 429-2169
Tahseen Hussain	8 McBride Rd	Manalapan	New Jersey	07726	(732) 429-2169
Tahseen Hussain	8 McBride Rd	Manalapan	New Jersey	07726	(732) 429-2169
Tahseen Hussain	8 McBride Rd	Manalapan	New Jersey	07726	(732) 429-2169
Neel Sheth	1 Ethel Road, Suite 102	Edison	New Jersey	08817	(248) 910-5327
Neel Sheth	197 Compton Ave	Edison	New Jersey	08820	(248) 910-5327
Neel Sheth	197 Compton Ave	Edison	New Jersey	08820	(248) 910-5327
Neel Sheth	197 Compton Ave	Edison	New Jersey	08820	(248) 910-5327
Neel Sheth	197 Compton Ave	Edison	New Jersey	08820	(248) 910-5327
Bernardo Tinajero	37 Berdan Avenue	Wayne	New Jersey	07470	(862) 308-3952
Denise Campbell	1845 Northwestern Drive	El Paso	New Mexico	79912	(575) 521-4188
Heather Lottner	225 W. 80th Street, Apt 4A	New York	New York	10024	(646) 489-0738
Heather Lottner	225 W. 80th Street, Apt 4A	New York	New York	10024	(646) 489-0738
Heather Lottner	225 W. 80th Street, Apt 4A	New York	New York	10024	(646) 489-0738
Aaron Beck	10719 Drake Hill Drive	Huntersville	North Carolina	28078	(310) 279-2681
Aaron Beck	10719 Drake Hill Drive	Huntersville	North Carolina	28078	(310) 279-2681
Rucha Patel	719 Lingfield Lane	Weddington	North Carolina	28173	(267) 994-5558
Rucha Patel	719 Lingfield Lane	Weddington	North Carolina	28173	(267) 994-5558
Peggy LaRue	111 James Jackson Ave Suite 101	Cary	North Carolina	27513	(203) 243-1307
Peggy LaRue	111 James Jackson Ave Suite 101	Cary	North Carolina	27513	(203) 243-1307
Peggy LaRue	111 James Jackson Ave Suite 101	Cary	North Carolina	27513	(203) 243-1307
Peggy LaRue	111 James Jackson Ave Suite 101	Cary	North Carolina	27513	(203) 243-1307
Bruce Celek	6425 Wilkinson Blvd.	Belmont	North Carolina	28012	(330) 607-6631
Bruce Celek	6425 Wilkinson Blvd.	Belmont	North Carolina	28012	(330) 607-6631
James Grove	4425 Sharon Rd, S802	Charlotte	North Carolina	28211	(862) 221-9075
Mayank Patel	10357 Hillsborough St	Huntersville	North Carolina	28078	(704) 806-7114

Mayank Patel	10357 Hillsborough St	Huntersville	North Carolina	28078	(704) 806-7114
Michael Marchetto	850 Ember Drive	Durham	North Carolina	27703	(919) 322-9007
Michael Marchetto	850 Ember Drive	Durham	North Carolina	27703	(919) 322-9007
Brad Freathy <sup>1</sup>	6000 Sarahcreek Ct	Raleigh	North Carolina	27607	(813) 498-7048
Brad Freathy <sup>1</sup>	6000 Sarahcreek Ct	Raleigh	North Carolina	27607	(813) 498-7048
Brad Freathy <sup>1</sup>	6000 Sarahcreek Ct	Raleigh	North Carolina	27607	(813) 498-7048
Brad Freathy <sup>1</sup>	6000 Sarahcreek Ct	Raleigh	North Carolina	27607	(813) 498-7048
Gennytza Furne	168 Sherwood Lane	Sanford	North Carolina	27332	(910) 797-2148
Gennytza Furne	168 Sherwood Lane	Sanford	North Carolina	27332	(910) 797-2148
Gennytza Furne	168 Sherwood Lane	Sanford	North Carolina	27332	(910) 797-2148
Hardik Rola	432 Chanson Dr	Cary	North Carolina	27519	(727) 507-1198
Juan Garay	7225 Hasentree Club Drive	Wake Forest	North Carolina	27587	(786) 266-8080
Juan Garay	7225 Hasentree Club Drive	Wake Forest	North Carolina	27587	(786) 266-8080
Juan Garay	7225 Hasentree Club Drive	Wake Forest	North Carolina	27587	(786) 266-8080
Juan Garay	7225 Hasentree Club Drive	Wake Forest	North Carolina	27587	(786) 266-8080
Juan Garay	7225 Hasentree Club Drive	Wake Forest	North Carolina	27587	(786) 266-8080
David Grantham	126 Beverly Place	Greensboro	North Carolina	27403	(335) 601-0707
David Grantham	126 Beverly Place	Greensboro	North Carolina	27403	(335) 601-0707
David Grantham	126 Beverly Place	Greensboro	North Carolina	27403	(335) 601-0707
David Grantham	126 Beverly Place	Greensboro	North Carolina	27403	(335) 601-0707
Darshan Patel	2294 Laurens Drive	Concord	North Carolina	28027	(704) 453-5490
Darshan Patel	2294 Laurens Drive	Concord	North Carolina	28027	(704) 453-5490
Darshan Patel	2294 Laurens Drive	Concord	North Carolina	28027	(704) 453-5490
Michael J. Olmstead	1090 West South Boundary St. Suite 200	Perrysburg	Ohio	43551	(419) 872-1914
Mark McAuliffe	8509 Tennyson Ct	West Chester	Ohio	45069	(513) 965-1516
Mark McAuliffe	8509 Tennyson Ct	West Chester	Ohio	45069	(513) 965-1516
Kimberly Rippe	550 Ascot Dr.	Maineville	Ohio	45039	(859) 912-0366
John Wheatley	685 Lyons Road	Washington Township	Ohio	45459	(502) 468-6397
Nick Hamulak	5475 Sheffield Ave	Powell	Ohio	43065	(614) 266-0936



Nick Hamulak	5475 Sheffield Ave	Powell	Ohio	43065	(614) 266-0936
Nick Hamulak	5475 Sheffield Ave	Powell	Ohio	43065	(614) 266-0936
Brian Muff	4590 Spring Valley Circle	Mason	Ohio	45040	(513) 518-5700
Brian Muff	4590 Spring Valley Circle	Mason	Ohio	45040	(513) 518-5700
David Linger	5280 Deer Path	Milford	Ohio	45150	(513) 802-2555
David Linger	5280 Deer Path	Milford	Ohio	45150	(513) 802-2555
David Linger	5280 Deer Path	Milford	Ohio	45150	(513) 802-2555
Brant Lewis	TBD - Search area 97034	Lake Oswego	Oregon	97034	(503) 698-5500
Brant Lewis	TBD Search Area 97080 and 97030	Gresham	Oregon	97080 and 97030	(503) 702-9771
Aaron Frye	3838 Pacific Ave	Forest Grove	Oregon	97116	(503) 866-8782
Aaron Frye	3838 Pacific Ave	Forest Grove	Oregon	97116	(503) 866-8782
Ting Oh	98 School Lane	Sugarloaf	Pennsylvania	18249	(570) 501-1808
Todd Exley	3127 Washington Pike	Bridgeville	Pennsylvania	15017	(724) 986-5795
Christopher Orlando	2012 Majestic Overlook Drive	Bethlehem	Pennsylvania	18015	(914) 907-7588
Christopher Orlando	2012 Majestic Overlook Drive	Bethlehem	Pennsylvania	18015	(914) 907-7588
Brian Ray	930 Red Rose Court	Lancaster	Pennsylvania	17601	(717) 497-7423
Brian Ray	1334 Woodland Circle	Denver	Pennsylvania	17517	(717) 497-7423
Jason Yager	1470 River Road	New Hope	Pennsylvania	18938	(609) 475-5995
Jason Yager	1470 River Road	New Hope	Pennsylvania	18938	(609) 475-5995
Jason Yager	1470 River Road	New Hope	Pennsylvania	18938	(609) 475-5995
Joe Diamond	405A South Oxford Valley Road	Fairless Hills	Pennsylvania	19030	(609) 306-1739
Pieter Van Der Westhuizen	245 Humphrey Road – Suite 3	Greensburg	Pennsylvania	15601	(724) 708-9420
Darshan Mukeshbhai Bhatt	1121 N Bethlehem Pike, Suite 10	Spring House	Pennsylvania	19477	(267) 991-6040
Darshan Mukeshbhai Bhatt	102 Woodlands Drive	Landsdale	Pennsylvania	19446	(267) 991-6040
Darshan Mukeshbhai Bhatt	102 Woodlands Drive	Landsdale	Pennsylvania	19446	(267) 991-6040
Anna Araujo	50 Rocky Creek Rd Apt 199	Greenville	South Carolina	29615	(407) 600-3391
Michael Badino	2048 Sam Rittenberg Boulevard, Suite 3	Charleston	South Carolina	29407	(239) 989-7575
Michael Badino	2181 Wappoo Drive.	Charleston	South Carolina	29412	(239) 989-7575
Michael Badino	2181 Wappoo Drive.	Charleston	South Carolina	29412	(239) 989-7575
Denise Campbell	1845 Northwestern Drive	El Paso	Texas	79912	(575) 521-4188
Vivek Shah	9236 Old Veranda Rd	Plano	Texas	75024	1 (972) 808-6338
Vivek Shah	5930 West Park Blvd	Plano	Texas	75093	1 (972) 808-6338
Noel Thomas	4111 Regal Stone Lane	Sugar Land	Texas	77479	(832) 559-2900
Michael Grimm	1150 Hempstead Villa Lane	Houston	Texas	77008	(214) 669-0111
Rolf Schultz	2300 Centennial Loop	Round Rock	Texas	78665	(281) 705-7124
Rolf Schultz	2300 Centennial Loop	Round Rock	Texas	78665	(281) 705-7124
Rolf Schultz	2300 Centennial Loop	Round Rock	Texas	78665	(281) 705-7124
Rolf Schultz	2300 Centennial Loop	Round Rock	Texas	78665	(281) 705-7124

Vincent Mai	2515 Inwood Road	Dallas	Texas	75235	(214) 274-1078
Alan Rex	8300 Sand Ridge Drive	Plano	Texas	75025	(214) 477-8819
Alan Rex	8300 Sand Ridge Drive	Plano	Texas	75025	(214) 477-8819
Blaine Stribling	4504 Potomac Ave	Dallas	Texas	75205	(972) 741-6512
Blaine Stribling	4504 Potomac Ave	Dallas	Texas	75205	(972) 741-6512
Brandon Holbert	732 S Coppell Rd	Coppell	Texas	75019	(228) 209-3371
Brandon Holbert	732 S Coppell Rd	Coppell	Texas	75019	(228) 209-3371
Jason Grutzius	2626 Stonebrook Parkway Suite 500	Frisco	Texas	75034	(708) 369-0106
Jason Grutzius	2626 Stonebrook Parkway Suite 500	Frisco	Texas	75034	(708) 369-0106
Jason Grutzius	2626 Stonebrook Parkway Suite 500	Frisco	Texas	75034	(708) 369-0106
Jason Grutzius	2626 Stonebrook Parkway Suite 500	Frisco	Texas	75034	(708) 369-0106
Steve Welch	5713 75th Street	Lubbock	Texas	79424	(806) 787-4844
Steve Welch	5713 75th Street	Lubbock	Texas	79424	(806) 787-4844
Patrick Figueiredo	403 Canoe Dr	Harker Heights	Texas	76548	(516) 522-3651
Mark Graves	17407 Ledgefield	Cypress	Texas	77433	(619) 861-5016
Mark Graves	17407 Ledgefield	Cypress	Texas	77433	(619) 861-5016
Sang Park	2204 Dillon Pond Lane #A	Pflugerville	Texas	78660	(940) 312-9869
Sang Park	2204 Dillon Pond Land #A	Pflugerville	Texas	78660	(940) 312-9869
George Lee	6703 Blacksmith Lane	San Antonio	Texas	78238	(210) 365-2866
George Lee	6703 Blacksmith Lane	San Antonio	Texas	78238	(210) 365-2866
George Lee	6703 Blacksmith Lane	San Antonio	Texas	78238	(210) 365-2866
George Lee	6703 Blacksmith Lane	San Antonio	Texas	78238	(210) 365-2866
George Lee	6703 Blacksmith Lane	San Antonio	Texas	78238	(210) 365-2866
Matthew Gochmour	15030 Turkey Trail Ct	Houston	Texas	77079	(832) 428-2121
Matthew Gochmour	15030 Turkey Trail Ct	Houston	Texas	77079	(832) 428-2121
Brandon Hollmann	3429 Camden Dr	Flower Mound	Texas	75028	(512) 468-3632
Brandon Hollmann	3429 Camden Dr	Flower Mound	Texas	75028	(512) 468-3632
Brandon Hollmann	3429 Camden Dr	Flower Mound	Texas	75028	(512) 468-3632
Brian Brashaw	11806 Rue Saint Lazare Ct,	Tomball	Texas	77377	(309) 339-0363
Brian Brashaw	11806 Rue Saint Lazare Ct,	Tomball	Texas	77377	(309) 339-0363
Heather Vernon	2300 Green Oak Drive Suite 150	Kingwood	Texas	77339	(662) 549-3948
Olubukola Folarin	1002 LOIRE LN	Houston	Texas	77090	(832) 257-5837
Priya Navadia	2143 Choctaw Place	Leander	Texas	78641	(512) 938-9859
Priya Navadia	2143 Choctaw Place	Leander	Texas	78641	(512) 938-9859
Priya Navadia	2143 Choctaw Place	Leander	Texas	78641	(512) 938-9859
Priya Navadia	2143 Choctaw Place	Leander	Texas	78641	(512) 938-9859
Michael Trevino	3400 Basswood Blvd Suite #100-105	Fort Worth	Texas	76137	(847) 528-8791
Rohit Akhauri	"847 E Ashby Pl	San Antonio	Texas	78212	(818) 472-8770
Elizabeth Saling	2964 Slate Ridge Cir	St George	Utah	84790	(801) 631-0395
Elizabeth Saling	2964 Slate Ridge Cir	St George	Utah	84790	(801) 631-0395
Elizabeth Saling	2964 Slate Ridge Cir	St George	Utah	84790	(801) 631-0395
Elizabeth Saling	2964 Slate Ridge Cir	St George	Utah	84790	(801) 631-0395
Elizabeth Saling	2964 Slate Ridge Cir	St George	Utah	84790	(801) 631-0395
Gaurave Batta	3991 Woodberry Meadow Dr	Fairfax	Virginia	22033	(703) 867-1601
Gaurave Batta	3991 Woodberry Meadow Dr	Fairfax	Virginia	22033	(703) 867-1601

Gaurave Batta	3991 Woodberry Meadow Dr.	Fairfax	Virginia	22033	(703) 867-1601
Gaurave Batta	3991 Woodberry Meadow Dr.	Fairfax	Virginia	22033	(703) 867-1601
Karen Sisk <sup>1</sup>	21425 Jozela Lane	Culpeper	Virginia	22701	(540) 718-1615
Karen Sisk <sup>1</sup>	21425 Jozela Lane	Culpeper	Virginia	22701	(540) 718-1615
Karen Sisk <sup>1</sup>	21425 Jozela Lane	Culpeper	Virginia	22701	(540) 718-1615
Karen Sisk <sup>1</sup>	21425 Jozela Lane	Culpeper	Virginia	22701	(540) 718-1615
Karen Sisk <sup>1</sup>	21425 Jozela Lane	Culpeper	Virginia	22701	(540) 718-1615
Minesh Patel	11721 Jefferson Ave, Suite 100	Newport News	Virginia	23606	(330) 221-4660
Johnathon Coberley	1300 N Mullan Rd	Spokane Valley	Washington	99206	(385) 383-1648
Johnathon Coberley	3518 S Melissa DR.	Spokane Valley	Washington	99206	(385) 383-1648
Johnathon Coberley	3518 S Melissa DR.	Spokane Valley	Washington	99206	(385) 383-1648

<sup>1</sup> This franchisee has purchased development rights pursuant to a Development Rights Rider

**EXHIBIT J TO THE DISCLOSURE DOCUMENT**

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**LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM**

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## LIST OF FRANCHISEES WHO HAVE LEFT THE SYSTEM

The following is a list of the name, address and current business telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

Franchisee Name	Address	City	State	Zip	Telephone
Dawn Sexton	2092 Fairview Ave	Prattville	Alabama	36066	(334) 595-9990
Chris Mendias	3330 N 2nd St #401	Phoenix	Arizona	85012	(602) 772-2946
Gary Stanko	3337 N. Miller Road	Scottsdale	Arizona	85251	(480) 687-2438
Keely Rogers	31 Choctaw Center	Cherokee Village	Arkansas	72529	(870) 856-4325
Caroline Taylor	3718 Grand Avenue Suite 15	Oakland	California	94610	(510) 893-8878
Douglas Wilson	140 East Boardwalk Drive Unit A	Fort Collins	Colorado	80525	(970) 223-8293
Steve Henning	7400 East Caley Ave. Suite 180W	Centennial	Colorado	80111	(720) 850-5111
Christian Jones <sup>1</sup>	16799 E Lake Ave.	Centennial	Colorado	80016	(303) 409-2133
Alex Matz <sup>3</sup>	300 W 41st St (Arthur Godfrey Rd) # 205	Miami Beach	Florida	33140	(305) 672-0614
Rhett Smith	1226 NE 8th Avenue	Ft Lauderdale	Florida	33304	(615) 604-2112
Kanathy Haney <sup>1</sup>	2234 University Drive	Coral Springs	Florida	33071	(954) 779-4549
Jonathan Baker <sup>1</sup>	250 John W. Morrow Jr. Parkway, Suite 115-	Gainesville	Georgia	30501	(706) 969-8961
David Dowdy <sup>3</sup>	14904 S Lagrange Rd	Orland Park	Illinois	60462	(773) 284-0888
David Dowdy <sup>3</sup>	2859 N Milwaukee Ave	Chicago	Illinois	60618	(708) 929-1002
Ronnie Day	3815 N Vermilion St	Danville	Illinois	61832	(859) 238-7650
David Dowdy <sup>1</sup>	109 W Front St	Harvard	Illinois	60033	(815) 943-0191
Eileen Burns <sup>1</sup>	5665 N Post Road	Indianapolis	Indiana	46216	(317) 723-6089
Sarah Powell <sup>3</sup>	12499 University Avenue, Suite 250	Clive	Iowa	50325	(515) 985-7530
Sushma Patel	1900 W 75th Street	Prairie Village	Kansas	66208	(913) 432-3950
Patrick Gleeson <sup>1</sup>	16172 Airline Hwy Unit B	Prairieville	Louisiana	70769	(225) 255-4020
Patty Broussard <sup>1</sup>	1700 Kaliste Saloom Road Building 100 1-A	Lafayette	Louisiana	70508	(337) 210-2098
Noiy Nguyen <sup>1</sup>	17761 Kenwood Trail	Lakeville	Minnesota	55044	(612) 203-9115
William (skibo) Holman <sup>3</sup>	4700 26th Avenue	Meridian	Mississippi	39305	(601) 453-3249
Neil Yust <sup>3</sup>	1010 S. Madison Ave	Webb City	Missouri	64875	(417) 673-0600
Nittn Kohli	1217 Summit Ave	Jersey City	New Jersey	07307	(201) 984-0520
Andrew Ready <sup>3</sup>	115 Parkway Office Court, Suite 101	Cary	North Carolina	27518	(919) 267-6226
George Summers	7735 State Route 45, Suite E	Lisbon	Ohio	44432	(330) 424-9033
George Summers	912 E Lincoln Way	Minerva	Ohio	44657	(330) 868-4362
George Summers	1652 South Union Ave	Alliance	Ohio	44601	(330) 680-9190
Aaron Anders	1911 United Way	Medford	Oregon	97504	(630) 320-1111
Shellie Spero <sup>1</sup>	3127 Washington Pike	Bridgeville	Pennsylvania	15017	(919) 961-3921
Charlie Jones <sup>3</sup>	5000 Alpha Lane, Suite A	Hixson	Tennessee	37343	(423) 877-4599
Danny Long <sup>3</sup>	665 New Highway 68 #F	Sweetwater	Tennessee	37874	(423) 536-7036
Alexandra Valenzuela	751 S Beckham Avenue	Tyler	Texas	75701	(806) 640-4843

**If you buy this franchise, your contact information may be disclosed to other buyers if you leave the franchise system.**

Arturo Cortez	6500 N. 10th Street, Suite #J	McAllen	Texas	78504	(956) 203-6998
Gary Haun	3415 S. Johnson Ave	San Angelo	Texas	76904	(325) 262-4198
Jeremy Watkins	5751 Edwards Ranch Rd, Suite 200	Fort Worth	Texas	76109	(817) 332-8848
Vicki Rodriguez <sup>3</sup>	1090 E Alton Gloor Blvd	Brownsville	Texas	78520	(956) 544-2401
Allen Martin <sup>1</sup>	8401 Boulevard 26	North Richland	Texas	76180	(817) 898-8444
Brad Grissman <sup>1</sup>	409 N. Oak Street Suite 220	Roanoke	Texas	76262	(682) 502-4440
Sydney Swindell	62 Merchants Row	Williston	Vermont	05495	(802) 857-5407
Keisha Hooper	1400 Crown Court Suite 201	Woodbridge	Virginia	22193	(703) 499-8787
Jason Wilwert <sup>3</sup>	1215 Lawrence Street #101	Port Townsend	Washington	98368	(360) 385-1035
Douglas Wilson	1217 A South Greeley Hwy	Cheyenne	Wyoming	82007	(307) 772-0955
Douglas Wilson	322 N Main St	Pine Bluffs	Wyoming	82082	(307) 201-2051
Douglas Wilson	611 E Carlson Street Suite 117	Cheyenne	Wyoming	82009	(307) 772-0955
Douglas Wilson	1620 E Pershing Ave	Cheyenne	Wyoming	82001	(307) 772-0955

<sup>1</sup> Transfer: This location remains in the system under new ownership.

<sup>2</sup> This location was reacquired by the Franchisor.

<sup>3</sup> This location was consolidated into another location.

**If you buy this franchise, your contact information may be disclosed to other buyers if you leave the franchise system.**

**EXHIBIT K TO THE DISCLOSURE DOCUMENT**

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**FORM OF PROMISSORY NOTE, SECURITY AGREEMENT AND UCC-1 FINANCING  
STATEMENT**

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## SECURED PROMISSORY NOTE

U.S. \$ \_\_\_\_\_

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

Executed at: \_\_\_\_\_

FOR VALUE RECEIVED, \_\_\_\_\_, a(n) \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (the "**Franchisee**") promises to pay to the order of FYZICAL, LLC, a Delaware limited liability company (the "**Franchisor**"), at its offices at 1751 Mound Street, Suite 102, Sarasota, Florida 34236 (or at such other place or places as the Franchisor or the holder of this Promissory Note (this "**Note**") may designate in writing, from time to time), the principal sum of \_\_\_\_\_ DOLLARS (U.S. \$ \_\_\_\_\_) (the "**Loan**"), or such lesser sum outstanding at the time when payment is due under this Note, in lawful currency of the United States of America, together with interest accruing thereon from the date of this Note at the rate described in Section 1, on the balance from time to time remaining unpaid. The Loan represented by this Note is subject to the terms and conditions of that certain Franchise Agreement dated \_\_\_\_\_, (the "**Franchise Agreement**") between Franchisee and Franchisor. All capitalized terms not defined herein shall have the same meaning as contained in the Franchise Agreement.

**1. Interest Rates and Payments.** Interest will accrue on the unpaid principal balance at the rate of 9.8% per annum. 36 equal monthly payments of principal plus accrued and unpaid interest in the amount of \$ \_\_\_\_\_ will be due and payable on the 5th day of each month commencing \_\_\_\_\_ until fully paid. All payments received by Franchisor will be applied first to accrued and unpaid interest and then to the then outstanding principal balance.

**2. Security.** This Note is secured by that security agreement executed by the parties concurrently herewith (the "**Security Agreement**"), the terms of which are incorporated to this Note by this reference. If Franchisee is not an individual, each of your direct and indirect owner must execute that certain owners' guaranty annexed hereto (the "**Guaranty**") to guaranty performance of Franchisee's obligations under this Note.

**3. Definition of Event of Default.** For purposes of this Note, an "**Event of Default**" is: (a) any failure to pay any sums when due to Franchisor or its affiliates under this Note, and failure to cure such default within five (5) days after receiving notice thereof; (b) any breach of the provisions of this Note, the Franchise Agreement or any other agreement between Franchisee (or its affiliates) and Franchisor (or its affiliates) and failure to cure such breach within the applicable cure period (if applicable); (c) unauthorized assignment by Franchisee of this Note or an attempt by Franchisee to assign this Note to a third-party for the benefit of Franchisee's creditors; (d) initiation of any action by Franchisee challenging the validity or enforceability of this Note or the Security Agreement; (e) any material adverse change in the financial condition of Franchisee or the occurrence of any event that, as determined by Franchisor in good faith, materially impairs the ability of Franchisee to pay the Loan; (f) filing of any insolvency or bankruptcy proceeding by or against Franchisee or the appointment of a receiver for Franchisee or any of Franchisee's assets; or (g) termination of the Franchise Agreement.

**4. Late Charges; Default Interest Rate.** A late charge equal to five percent (5%) of any installments of interest or principal which is not paid within ten (10) days of the date when the same becomes due and payable will be included with any such late payment. At any time or times during which an Event of Default then exists or upon the maturity of this Note, the interest rate under this Note will be equal to the lesser of: (i) eighteen percent (18%) per annum; or (ii) the maximum rate of interest permitted by applicable law (the "**Default Interest Rate**"), and shall be due and payable **ON DEMAND**.



5. **Acceleration of Maturity.** In the event of the continuation of any default in the payment of any interest or principal under this Note for a period of five (5) days after notice is received from Franchisor or upon the occurrence of any other Event of Default, Franchisor or the holder of this Note may elect to declare and may declare the entire unpaid principal amount outstanding under this Note, together with interest accrued thereon, immediately due and payable and/or may increase the interest rate under this Note up to the Default Interest Rate.
6. **Waivers.** Franchisee, its successors and assigns, and all other endorsers and guarantors of this Note waive any defense by reason of any extension of time for reason of nonpayment. Franchisee, its successors and assigns, and all endorsers and guarantors of this Note waive demand, presentment, notice of non-payment, dishonor and protest.
7. **Attorneys' Fees.** In case suit is brought for the collection of this Note, or if it is necessary to place the same in the hands of an attorney for collection, Franchisee and all endorsers and guarantors of this Note agree to pay reasonable attorneys' fees for making such collection, including all fees and costs incident to any appellate, post-judgment, and bankruptcy proceedings that may result, whether the holder of this note is obligated thereof or not.
8. **Maximum Interest.** Despite any other provision of this Note, in no event will the amount of interest due or payable under this Note exceed the maximum contract rate of interest allowed by applicable law, as amended from time to time. If any payment is made by Franchisee or received by Franchisor that exceeds the maximum contract rate of interest, such excess sum will be credited as a payment of principal, unless Franchisee notifies Franchisor that it elects to have the excess sum returned.
9. **Payment of Indebtedness.** All payments received from Franchisee may be applied to outstanding principal or accrued interest as Franchisor designates.
10. **Negotiability.** This Note is fully negotiable by Franchisor.
11. **Consideration.** Franchisee acknowledges and agrees that this Note has been signed and delivered to Franchisor in exchange for valuable consideration. The valuable consideration relates to amounts that are due and owing to Franchisor, without any defense or setoff.
12. **Venue.** Franchisee agrees that Sarasota County, Florida, is the proper venue for any and all legal proceedings arising out of this Note.
13. **Governing Law.** The provisions of this Note and the Franchise Agreement will be construed according to the laws of the State of Florida.
14. **Consent to Changes.** All parties liable for the payment of this Note consent and agree that the granting to Franchisee or any other party of any extension of time for the payment of any sums due under this Note, or for the performance of any covenant or stipulation in this Note or in any document securing the Loan or the release of Franchisee or any other party, or the agreement of the Franchisor not to sue the Franchisee or any other party, or the discharge of Franchisee or any other party, or the taking or releasing of other or additional security, will not in any way release or affect the liability of the Franchisee and/or of the endorsers or guarantors of this Note, all rights against such parties being expressly reserved.
15. **Amendment.** This Note may not be amended or modified, nor will any waiver of any provisions of this Note be effective, except by an instrument in writing signed by the holder of this Note. The Franchisee has signed this Note as principal and not as surety or accommodation party.

16. **Prepayment.** This Note may be prepaid, in whole or in part, at any time without penalty, provided that any partial payment shall be applied against the principal amount outstanding in inverse order of maturity and shall not postpone the due date of any subsequent payment unless the Franchisor shall otherwise agree in writing in its sole discretion.

17. **Nonassumability.** This Note is not transferrable, assignable, or assumable without Franchisor's prior written consent. Such assumption may be granted at the Franchisor's sole discretion and may be denied without regard to a showing of an impairment of the Franchisor's security or an evaluation of the creditworthiness of the proposed assuming party and regardless of whether the Franchisor consents to a transfer of the Franchise Agreement.

18. **WAIVER OF JURY TRIAL.** THE FRANCHISEE, BY SIGNING THIS NOTE, AND THE FRANCHISOR, BY ACCEPTANCE OF THIS NOTE, MUTUALLY AND WILLINGLY WAIVE THE RIGHT TO A TRIAL BY JURY OF ANY AND ALL CLAIMS MADE BETWEEN THEM WHETHER NOW EXISTING OR ARISING IN THE FUTURE, INCLUDING ANY AND ALL CLAIMS, DEFENSES, COUNTERCLAIMS, CROSSCLAIMS, THIRD PARTY CLAIMS AND INTERVENOR'S CLAIMS WHETHER ARISING FROM OR RELATED TO THE NEGOTIATION, SIGNING AND PERFORMANCE OF THE TRANSACTIONS TO WHICH THIS NOTE RELATES.

19. **Payment of Indebtedness.** Franchisee's obligation to pay this Note shall be absolute and unconditional. All payments under this Note shall be made without set-off or counterclaim and be free and clear and without any deduction or withholding for any taxes or fees of any nature whatever, unless the obligation to make such deduction or withholding is imposed by law.

20. **Costs.** All stamp taxes and other costs payable on this Note, on any instrument executed under it, and in respect of any transaction evidenced by this Note shall be borne by Franchisee.

21. **Cumulative Rights.** The rights and remedies of Franchisor as provided in this Note and the Security Agreement shall be cumulative and may be pursued singly, successively, or together against any other funds, property or security held by Franchisee for payment or security, in the sole discretion of Franchisor. The failure to exercise any such right or remedy shall not be a waiver or release of such rights or remedies or the right to exercise any of them at another time. No reference in this Note to the Security Agreement or other document shall impair the obligation of Franchisee to pay all amounts under this Note strictly in accordance with the terms of this Note.

22. **Entire Agreement.** This Note, together with the Security Agreement and the Guaranty annexed hereto, constitutes the entire contract between Franchisee and Franchisor with respect to the Loan and the repayment of the Loan, and the other subject matter hereof, and supersedes all previous agreements and understandings, oral or written, with respect thereto.

23. **Interpretation.** The terms "Franchisor" and "Franchisee" shall be deemed to include their respective heirs, successor, and permitted assigns, whether by voluntary action of the parties or by operation of law. All references to "Franchisee" shall mean and include the named Franchisee and all co-maker, guarantors, sureties and accommodation parties signing or endorsing this Note, each of whom shall be jointly, severally and primarily liable as the maker of this Note.

24. **Execution.** This Note may be executed in counterparts, each of which shall constitute an original, but all taken together shall constitute a single contract. This Note may be executed by electronic means.

*[Signature Page Follows]*

**EXECUTED**

**“FRANCHISEE”**

\_\_\_\_\_

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

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

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

**ACCEPTED:**

**FYZICAL, LLC**, a Delaware limited liability  
company

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

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

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

Address for notices:

1751 Mound Street, Suite 102  
Sarasota, FL 34236

## SECURITY AGREEMENT

THIS SECURITY AGREEMENT (this “**Agreement**”) is made and entered into as of \_\_\_\_\_, by and among FYZICAL, LLC, a Delaware limited liability company whose principal business address is 1751 Mound Street, Suite 102, Sarasota, Florida 34236 (“**Secured Party**”), and \_\_\_\_\_, a(n) \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Debtor**”).

A. Secured Party is providing financing to Debtor in the amount of \$\_\_\_\_\_ (the “**Franchise Fee**”), representing a portion of the initial franchise fee due under that certain Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”) between Secured Party, as franchisor, and Debtor, as franchisee. The above transaction is evidenced by that certain promissory executed by Debtor concurrently herewith (the “**Promissory Note**”). All capitalized terms not defined herein shall have the same meaning as contained in the Franchise Agreement.

B. Debtor is granting to Secured Party a security interest in the Collateral (as defined below) in order to secure Debtor’s unconditional obligation to pay the Franchise Fee to Secured Party.

ACCORDINGLY, for good and valuable consideration, the parties hereby agree as follows:

1. **Security Interest.** In order to secure payment and performance in full of the obligation of Debtor for (i) payment of the Franchise Fee and all other obligations of Debtor to Secured Party, arising, under or in respect of the Franchise Agreement and this Agreement, including but not limited to any extensions, modifications, substitutions, increases or renewals thereof; (ii) payment of all amounts advanced or incurred by Secured Party to preserve, protect, defend, and enforce its rights under this Agreement, the Franchise Agreement, and with respect to the Collateral; and (iii) payment of all fees, costs and expenses incurred by Secured Party in connection therewith (the “**Commitments**”), Debtor hereby grants to Secured Party a continuing, valid, and unavoidable security interest in and lien on, all of Debtor’s right, title, and interest in and to all of the following property, wherever located, whether now owned or hereafter acquired or arising (collectively, the “**Collateral**”):

All furniture, fixtures, equipment, accessories, inventory, licenses, permits, goods, materials, supplies, accounts, general intangibles, and all other assets, including, without limitation, the Equipment and customer contracts, used in the operation of the FYZICAL® Center \_\_\_\_\_ franchised \_\_\_\_\_ business \_\_\_\_\_ located \_\_\_\_\_ at \_\_\_\_\_

\_\_\_\_\_ ; all additions, attachments, accessories, accessions, parts, fittings, and special tools now and hereafter affixed thereto and/or used in connection therewith, and all replacements thereof, and all substitutions and exchanges therefor; and all proceeds, including all cash proceeds and all noncash proceeds, including without limitation, proceeds of any and all insurance covering any of the foregoing, and all products of any and all of the foregoing.

2. **Representations; Warranties.** Debtor represents and warrants to Secured Party as follows: Debtor has good title to the Collateral, free from any right or claim of any security interest, lien, claim or encumbrance (collectively, a “**Lien**”), except for the permitted Liens listed in Exhibit A. Debtor has full corporate power and authority to enter into, execute, and deliver this Agreement and to perform its Commitments under this Agreement, and to incur and perform the Commitments, all of which have been duly authorized by all necessary corporate action. This Agreement constitutes the valid and legally binding commitment of Debtor, enforceable against it in accordance with its terms. Bankruptcy proceedings have not been commenced by or against Debtor under any federal bankruptcy law or other federal or state law.

3. **Insurance.** Debtor shall at all times bear the entire risk of any loss, theft, damage to, or destruction of, any of the Collateral from any cause whatsoever. Debtor shall keep the Collateral insured against loss or damage by fire and extended coverage perils, theft, burglary, and against all such other risks, casualties, and contingencies as Secured Party may reasonably require. Such insurance shall be payable to Secured Party as loss payee under a standard loss payee clause.

4. **Notices.** Debtor shall provide Secured Party at least 30 days written notice prior to (i) any change in Debtor's name; (ii) any change in the jurisdiction of incorporation or organization of Debtor; or (iii) any of the Collateral being lost, stolen, missing, destroyed, materially damaged, or worn out.

5. **Authorization to File Financing Statements.** Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements, including a UCC financing statement substantially in the form attached as Exhibit B, and amendments thereto that (i) describe the Collateral; and/or (ii) provide any other information required by Article 9 of the Uniform Commercial Code of the State of Florida or such other jurisdiction for the sufficiency or filing office acceptance of any financing statement or amendment. Debtor agrees to furnish such information to Secured Party promptly upon Secured Party's request.

6. **Events of Default.** Each of the following shall constitute an event of default ("**Event of Default**") under this Agreement:

- 6.1 Failure by Debtor to make payment of any amount of the Commitments when due and to correct such failure within 5 days after receiving written notice thereof;
- 6.2 Failure by Debtor to duly perform or observe any other term, covenant or agreement contained in this Agreement, which failure shall have continued unremedied for a period of 10 days after written notice thereof from Secured Party to Debtor;
- 6.3 Any representation or warranty made by Debtor in this Agreement, any financial statement, or any statement or representation made in any other report or other document delivered in connection with this Agreement or the Franchise Agreement proves to have been incorrect or misleading in any material respect when made;
- 6.4 Debtor makes an assignment for the benefit of creditors, offers a composition or extension to creditors, or makes or sends notice of an intended bulk sale of any of the Collateral;
- 6.5 Debtor (i) files a petition in bankruptcy, (ii) is adjudicated insolvent or bankrupt, petitions or applies to any tribunal for any receiver of or any trustee for itself, any of the Collateral, or any substantial part of its property, (iii) commences any proceeding relating to itself under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect, or any such proceeding is commenced against Debtor, including but not limited to, the filing of an involuntary petition against Debtor under the United States Bankruptcy Code, (iv) by any act indicates its consent to, approval of, or acquiescence in, any such proceeding or the appointment of any receiver of or any trustee for Debtor or any substantial part of its property, or (v) admits in writing its inability to pay its debts as they become due;
- 6.6 Debtor, or any other affiliate of Debtor, shall challenge or contest, in any action, suit or proceeding, the validity or enforceability of this Agreement, or any related documents, the

legality or the enforceability of any of the Commitments or the perfection or priority of any Lien granted to Secured Party; or

- 6.7** There shall be any material adverse change in the financial condition of Debtor or any other event shall occur that, as determined by Secured Party in good faith, materially impairs the ability of the Debtor to pay the Commitments.

**7. Remedies Upon Event of Default.** Upon the occurrence of any Event of Default, the Commitments under the Promissory Note shall become immediately due and payable upon declaration to that effect delivered by Secured Party to Debtor; provided, however, that upon the happening of any event specified in Section 6.5 above, the Promissory Note shall be immediately due and payable without declaration or other notice to Debtor. Upon the occurrence of and during the continuance of an Event of Default under this Agreement, Secured Party, in addition to all other rights, options, and remedies granted to Secured Party under this Agreement, shall have all rights, options and remedies available to it under the Uniform Commercial Code, as adopted under the internal laws of the State of Florida from time to time, at law, or in equity. Debtor agrees that a notice received by it at least 5 days before the time of any intended public sale, or the time after which any private sale or other disposition of the Collateral or any portion thereof is to be made, shall be deemed to be reasonable notice of such sale or other disposition.

**8. Nature of Remedies.** All rights and remedies granted Secured Party under this Agreement and under any other related documents, or otherwise available at law or in equity, shall be deemed concurrent and cumulative.

**9. Indemnification.** Debtor hereby agrees, at its cost and expense, to defend, hold harmless, indemnify and reimburse Secured Party, its affiliates, and its and their respective owners, directors, managers, officers, employees, agents, successors, assigns, and other representatives (collectively, the “Indemnitees”) from and against all losses, damages, costs, claims, actions, lawsuits, and proceedings, whether actual or alleged, arising out of or relating to any Debtor’s failure to perform one of more of its obligations in this Agreement or the Promissory Note, including as a result of or in connection with any use, operation, lease or consumption of any of the Collateral or as a result of Secured Party’s seeking to obtain performance of any of the obligations due with respect to the Collateral, including in each case accountants’, attorneys’, and expert witness fees, costs of investigation and proof of facts, court costs, other expenses of litigation, arbitration, or alternative dispute resolution, and travel and living expenses (the “Claims”). Secured Party may, at its election, take control of the investigation and defense of the third-party Claims or any of them and employ attorneys and other consultants, investigators, and experts of its own choice to manage and defend the third-party Claims as to which it has taken control. Debtor will not settle or compromise any third-party Claim unless the affected Indemnitees consent.

**10. Secured Party Appointed Attorney-in-Fact.** Debtor hereby appoints Secured Party as Debtor’s attorney-in-fact, with full authority in the place and stead of Debtor and in the name of Debtor or otherwise, from time to time in Secured Party’s discretion to take any action and to execute any instrument which Secured Party may deem necessary or advisable to accomplish the purposes of this Agreement (but Secured Party shall not be obligated to and shall have no liability to Debtor or any third party for failure to do so or take action). This appointment, being coupled with an interest, shall be irrevocable. Debtor hereby ratify all that said attorneys shall lawfully do or cause to be done by virtue hereof.

**11. General.**

- 11.1 Amendment.** This Agreement can be waived, amended, terminated or discharged, and the security interest and Liens of Secured Party can be released, only explicitly in a writing

signed by Secured Party, and, in the case of amendment, in a writing signed by Debtor and Secured Party. A waiver signed by Secured Party shall be effective only in the specific instance and for the specific purpose given.

- 11.2 Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of Debtor and Secured Party and their respective successors and assigns (except that Debtor may not assign its obligations under or rights in this Agreement without the prior written consent of Secured Party, which consent may be withheld in Secured Party's sole discretion) and shall take effect when signed by Debtor and delivered to Secured Party, and Debtor waives notice of Secured Party's acceptance of this Agreement.
- 11.3 Venue.** The Debtor agrees that Sarasota County, Florida, is the proper venue for any and all legal proceedings arising out of this Agreement.
- 11.4 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to choice of law principles.
- 11.5 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but which counterparts together shall constitute but one and the same instrument. Fax or other electronically-imaged signatures shall constitute binding and original signatures for all purposes.
- 11.6 Notice.** Any notice or other communication required or permitted under this Agreement shall be in writing and personally delivered, mailed by registered or certified mail (return receipt requested and postage prepaid), sent by facsimile (with a confirming copy sent by regular mail), sent by e-mail, or sent by prepaid overnight courier service, and addressed to the relevant party at its address set forth below, or at such other address as such party may, by written notice, designate as its address for purposes of notice under this Agreement. If mailed, notice shall be deemed to be given 3 days after being sent, and if sent by personal delivery, facsimile, prepaid courier, or e-mail, notice shall be deemed to be given when delivered.

**12. Waiver of Jury Trial.** DEBTOR HEREBY UNCONDITIONALLY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF, DIRECTLY OR INDIRECTLY, THIS AGREEMENT, OR ANY RELATED DOCUMENTS.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

**“SECURED PARTY”**

**FYZICAL, LLC**, a Delaware limited liability  
company

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

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

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

Address for notices:

1751 Mound Street, Suite 102  
Sarasota, FL 34236

**“DEBTOR”**

\_\_\_\_\_  
a(n) \_\_\_\_\_

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

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

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

Address for Notices:

\_\_\_\_\_  
\_\_\_\_\_



**EXHIBIT A TO SECURITY AGREEMENT**  
**PERMITTED LIENS**

**EXHIBIT B TO SECURITY AGREEMENT**  
**UCC-1 FINANCING STATEMENT**

(Attached)

## UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional)
B. E-MAIL CONTACT AT FILER (optional)
C. SEND ACKNOWLEDGMENT TO: (Name and Address)

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME				
OR				
1b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
1c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME				
OR				
2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME				
OR				
3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)		SUFFIX
3c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY

4. COLLATERAL: This financing statement covers the following collateral:

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

## OWNERS' GUARANTY

In consideration of and as an inducement to FYZICAL, LLC, a Delaware limited liability company ("**Franchisor**") entering into that certain Promissory Note and Security Agreement each dated as of \_\_\_\_\_ (collectively, the "**Financing Documents**"), between Franchisor and \_\_\_\_\_, a(n) \_\_\_\_\_ ("**Franchisee**"), the undersigned individuals (each, a "**Guarantor**") jointly and severally, personally and unconditionally, do hereby: (a) guarantee to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant in (1) the Financing Documents and the Franchise Agreement executed between Franchisor and Franchisee and (2) any ancillary agreement executed by Franchisee and Franchisor (or executed by Franchisee in favor of Franchisor) in connection with the Financing Documents and the above referenced Franchise Agreement, including but not limited to any agreement for the purchase of goods or services from Franchisor and any promissory note related to payments made to Franchisor (collectively, the "**Agreements**"); and (b) agree to be personally bound by, and personally liable for, each and every provision in the Agreements, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities including, without limitation, the requirements pertaining to non-competition, confidentiality, transfers, and dispute resolution.

Each Guarantor waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; and (4) any right the Guarantor may have to require that an action be brought against Franchisee or any other person as a condition of liability. Each Guarantor consents and agrees that: (1) such Guarantor's direct and immediate liability under this guaranty shall be joint and several; (2) such Guarantor shall render any payment or performance required under the Agreements upon demand if Franchisee fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; and (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may grant to Franchisee or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of each of the Agreements and following the termination, expiration or transfer of each of the Agreements to the extent any obligations under any such Agreements survive such termination, expiration or transfer.

Depending on the creditworthiness of each Guarantor and the community property laws of the states in which they reside, Franchisor may require that the spouses of one or more Guarantors execute this guaranty as well. Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state that does not require the consent of both spouses to encumber the assets of a marital estate or Franchisor has waived in writing any requirement that such spouse execute this guaranty.

Each Guarantor consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Franchisee and the other owners and Guarantors of Franchisee;

(b) Guarantor shall render any payment or performance required under any of the Agreements upon demand if Franchisee fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee or successor of Franchisee or by any abandonment of one or

more of the Agreements by a trustee of Franchisee. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Franchisee or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) If no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate. The spouse of the Guarantor, by executing this guaranty, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to the undersigned's performance of this guaranty;

(e) Franchisor may proceed against Guarantor and Franchisee jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Franchisee. Guarantor waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed;

(f) This guaranty shall be governed by and construed in accordance with the laws of the State of Florida; and

(g) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

Each Guarantor hereby signs and delivers this guaranty effective as of the date of the Financing Documents regardless of the actual date of signature.

GUARANTOR(S)	SPOUSE(S)
Signed: _____	Signed: _____
Name: _____	Name: _____
Address: _____	Address: _____
_____	_____
Signed: _____	Signed: _____
Name: _____	Name: _____
Address: _____	Address: _____
_____	_____

## **NEW YORK REPRESENTATIONS PAGE**

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

### **State Effective Dates**

The following states have franchise laws that require the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

<b>State</b>	<b>Effective Date</b>
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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

**EXHIBIT L TO THE DISCLOSURE DOCUMENT**

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**RECEIPTS**

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**RECEIPT #1  
(OUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Fyzical, 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, Fyzical, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

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

The name, principal business address, and telephone number of the franchise seller(s) involved with the sale of this franchise is/are:

<input type="checkbox"/> Scott Wendrych Fyzical, LLC 1751 Mound Street Suite 102 Sarasota, FL 34236	<input type="checkbox"/> _____ Fyzical, LLC 1751 Mound Street Suite 102 Sarasota, FL 34236	<input type="checkbox"/> _____ Fyzical, LLC 1751 Mound Street Suite 102 Sarasota, FL 34236
---	--	--

We authorize the respective state agencies identified on Exhibit "F" to receive service of process for us if we are registered.

Issuance Date: **April 30, 2025**

I have received the FYZICAL® Franchise Disclosure Document dated April 29, 2024, as amended May 24, 2024, that included the following Exhibits:

Exhibit "A"     Franchise Agreement Exhibit "B"     Financial Statements Exhibit "C"     Form of Development Rights Rider Exhibit "D"     Form of Conversion Addendum Exhibit "E"     Table of Contents of Manuals Exhibit "F"     List of State Agencies/Agents for Service of Process Exhibit "G"     State Specific Addenda and Riders	Exhibit "H"     General Release Exhibit "I"     List of Franchisees Exhibit "J"     List of Franchisees who have Left the System Exhibit "K"     Form of Promissory Note, Security Agreement and UCC-1 Financing Statement Exhibit "L"     Receipts
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**PROSPECTIVE FRANCHISEE:**

If a business entity:

\_\_\_\_\_  
Name of Business Entity  
By: \_\_\_\_\_  
Its: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_  
(Do not leave blank)

If an individual:

\_\_\_\_\_  
Print Name: \_\_\_\_\_  
Dated: \_\_\_\_\_  
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it to

FYZICAL, LLC, 1751 Mound Street, Suite 102, Sarasota, FL 34236.

**RECEIPT #2**  
**(YOUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Fyzical, 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, Fyzical, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. Under New York law, we must provide this disclosure document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

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

The name, principal business address, and telephone number of the franchise seller(s) involved with the sale of this franchise is/are:

<input type="checkbox"/> Scott Wendrych Fyzical, LLC 1751 Mound Street Suite 102 Sarasota, FL 34236	<input type="checkbox"/> _____ Fyzical, LLC 1751 Mound Street Suite 102 Sarasota, FL 34236	<input type="checkbox"/> _____ Fyzical, LLC 1751 Mound Street Suite 102 Sarasota, FL 34236
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We authorize the respective state agencies identified on Exhibit "F" to receive service of process for us if we are registered.

Issuance Date: **April 30, 2025**

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Exhibit "A"      Franchise Agreement	Exhibit "H"      General Release
Exhibit "B"      Financial Statements	Exhibit "I"      List of Franchisees
Exhibit "C"      Form of Development Rights Rider	Exhibit "J"      List of Franchisees who have Left the System
Exhibit "D"      Form of Conversion Addendum	Exhibit "K"      Form of Promissory Note, Security Agreement and
Exhibit "E"      Table of Contents of Manuals	UCC-1 Financing Statement
Exhibit "F"      List of State Agencies/Agents for	Exhibit "L"      Receipts
Service of Process	
Exhibit "G"      State Specific Addenda and	
Riders	

**PROSPECTIVE FRANCHISEE:**

If a business entity:

\_\_\_\_\_  
Name of Business Entity

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

Its: \_\_\_\_\_

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

Dated: \_\_\_\_\_

(Do not leave blank)

If an individual:

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

Dated: \_\_\_\_\_

(Do not leave blank)

**KEEP THIS COPY FOR YOUR RECORDS**