

FRANCHISE DISCLOSURE DOCUMENT



Nowlogy Franchising, LLC
A Minnesota limited liability company
1303 South Frontage Road, Suite 150
Hastings, MN 55033
Phone: (651) 505-3273
info@nowlogy.com
www.nowlogy.com

You will establish and operate an outpatient counseling and therapy clinic under the Nowlogy service mark providing counseling, medication management, psychological consultation, assessments and high-quality mental health and therapeutic products and services, by licensed clinical counselors, therapists and prescribers (each a "Nowlogy Clinic").

The total investment necessary to begin operation of a business that operates a Nowlogy franchised business ranges from \$71,200 to \$262,100. This includes the \$40,000 initial franchise fee that must be paid to the franchisor or an affiliate of franchisor prior to opening.

The total investment necessary to begin operation of a Nowlogy franchised business converted from an existing clinic ranges from \$36,500 to \$157,100. This includes the \$20,000 conversion initial franchise fee that must be paid to the franchisor or an affiliate of franchisor prior to opening.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Dr. Amelia Paquin at Ameliapaquin@psychologyexpress.org or (651) 505 - 3273.

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

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

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

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How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda in [Exhibit I](#).

Special Risks to Consider About *This* Franchise

Certain states require that the following risk be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Minnesota. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Minnesota than in your own state.
2. **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.
3. **Short Operating History.** The Franchisor is at an early stage of development and has a limited operating history. The franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

CERTAIN STATES MAY REQUIRE OTHER RISKS TO BE HIGHLIGHTED. CHECK THE "STATE SPECIFIC ADDENDA" (IF ANY) TO SEE WHETHER YOUR STATE REQUIRES OTHER RISKS TO BE HIGHLIGHTED.

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

To simplify the language in this Disclosure Document, “Nowlogy”, “we”, “our”, “us” or “Franchisor” means Nowlogy Franchising, LLC. “You”, “your” or the “Franchisee” means the individual, corporation, partnership, limited liability company or other business entity which acquires the franchise from us and includes your current and future owners, shareholders, partners, members, principals and all equity holders (“Owners”).

The Franchisor.

We are a Minnesota limited liability company formed on September 13, 2024 to own, operate and franchise the Nowlogy Clinics in the United States. We do business under our corporate name and under the name “Nowlogy”. Our principal business address is 1303 South Frontage Road, Suite 150, Hastings, MN 55033. Our telephone number is 651-505-3273 and our website is www.nowlogy.com (collectively, with all other all associated web addresses, URLs, websites and web pages, social internet domain names, social media accounts, media sites and pages, and all related content and data, the “Website”). Our agents for service of process are listed on Exhibit G. We do not operate a business substantially similar to the franchise being offered here. We do not participate in any other business activities other than offering Nowlogy Clinics franchises for sale and conducting related business matters. We began offering franchises as of the Issue Date of this Disclosure Document.

Our Parents, Predecessors, and Affiliates.

Our affiliate, Psychology Express Inc., is a Minnesota corporation formed on July 5, 2017 (“PEI”) with a principal business address of 1303 South Frontage Road, Suite 150, Hastings, MN 55033. PEI operates 4 Psychology Express Clinic businesses located in suburban areas located in: (i) Hastings, Minnesota since July 5, 2017, (ii) Lake Elmo, Minnesota since July 1, 2022, (iii) Eagan, Minnesota since January 1, 2023, and (iv) Cypress, Texas since April 1, 2024. PEI is also the holder of the IP (as defined below).

On September 13, 2024, PEI granted us worldwide non-exclusive rights to use and sublicense certain intellectual property including the name and marks “Nowlogy” and other trademarks, trade names, service marks, logos, designs, emblems, trade dress, and other marks, indicia of source or origin and symbols, together with the goodwill connected with the use of and symbolized by each, and all registrations, applications for registration, and renewal designated by us from time to time (the “Marks”), copyrights, works of authorship, patents, know-how, standard operating procedures, best-known methods, and trade secrets, technology, discoveries, tools, processes, techniques, databases, the Websites, and other confidential and proprietary information, owned and developed by PEI as well as any intellectual property developed by us or our affiliates (collectively with the Marks, the “IP”) and we sublicense the IP in connection with the sale of Nowlogy franchises.

PEI does not guarantee our obligations. Our affiliate does not currently offer franchises in this line or in any line of business. Our affiliate may provide certain training and support to us or our franchisees and may promote the Nowlogy name in non-franchise related endeavors.

We do not have any parents, predecessors or other affiliates required to be disclosed in this item except as stated above.

The Franchise Program.

We offer qualified purchasers the right to establish and operate a Nowlogy Clinic franchised business (each, a “Franchise” and collectively, the “Franchises”) offering an outpatient counseling and therapy clinic under the “Nowlogy” service mark providing counseling, medication management, and therapeutic products and services, by Licensed Providers, to individuals, couples, families, and groups as well as training programs to psychology trainees, psychological consulting to other professionals, psychological assessment, psychological interventions, and psychoeducation and related support (“Services”). These businesses are referred to in this Disclosure Document as a “Franchised Business.” You must honor our guarantee that clients receive doctoral level care. A “Licensed Provider” means, as applicable: (1) a doctorate level psychologist, psychology fellow, or psychology intern licensed or otherwise permitted to provide outpatient counseling and therapy products and services, directly or indirectly, at or through your Franchised Business under applicable local, state, and federal laws and regulations; and (2) a prescriber providing evaluation and management services that is licensed to prescribe medication to patients, directly or indirectly, at or through your Franchised Business under applicable local, state, and federal laws and regulations.

We offer 2 paths for the ownership, development, and operation of a Franchised Business, depending on the qualifications of the franchisee and the applicable local, state, and federal laws and regulations - Direct Ownership Model and Managed Operation Model, as discussed below.

Your Nowlogy Franchised Business may be converted from an existing outpatient counseling and therapy clinic not operated under the Marks (“Conversion Franchised Business”) or may be a new startup Nowlogy Franchised Business (“Startup Franchised Business”).

Direct Ownership Model. Under the direct ownership path for the ownership, development, and operation of a Franchised Business, you must be a Licensed Provider who is permitted to own and operate a business offering outpatient counseling and therapy products and services under applicable state law, or you must own and operate the Franchised Business in a state that permits individuals who are not Licensed Providers to own and operate businesses offering outpatient counseling and therapy products and services (“Direct Ownership Model”). You must sign our standard Franchise Agreement for the ownership, development, and operation of a Franchised Business under the Direct Ownership Model.

Managed Operation Model. Under the managed operation path for the ownership, development, and operation of a Franchised Business, you will provide management, administrative, marketing, technology, and facility-based services, but not medical products, services, or advice, or judgment (“Management Services”), to a Practice Entity, as defined below, that is directly operated, and potentially owned, by one or more Licensed Providers (“Managed Operation Model”). We typically do not offer Franchised Businesses under the Managed Operation Model to Licensed Providers. A “Practice Entity” means 1 or more Licensed Providers, working together, typically as a professional corporation, professional limited liability company, or other professional entity, who are licensed to offer and provide outpatient counseling and therapy products and services under applicable local, state, and federal laws and regulations.

For the ownership, development, and operation of a Franchised Business under the Managed Operation Model, you must sign our standard Franchise Agreement and Managed Services Addendum to Franchise Agreement (attached to this Disclosure Document as Exhibit K). You must also enter into a management services agreement (“Management Agreement”) with a Practice Entity that we approve to provide the Practice Entity and its Licensed Providers the Management Services and grant them a sublicense to use the IP and Marks at or through the Franchised Business. You, as the franchisee, will be responsible for construction and build-out of the Franchised Business for use by the Practice Entity and its Licensed Providers and ensuring that the Practice Entity and its Licensed Providers operate the Franchised Business

in conformance with our System, specifications, and standards, but only the Licensed Providers are permitted to exercise professional or medical judgment and to offer outpatient counseling and therapy products or services. You must hire an attorney to prepare the Management Agreement and to independently evaluate, review, and ensure that your Management Agreement complies with all applicable local, state, and federal laws. The final Management Agreement must be approved by us before you open your Franchised Business, and must remain in effect for the entire term of your Franchise Agreement.

We offer Franchises to persons or legal entities that meet our qualifications and are willing to undertake the investment and effort to own and operate Nowlogy businesses. To operate a Nowlogy Franchise, you must enter into a Franchise Agreement with us, in the form attached to this Disclosure Document as Exhibit B (together with all schedules, addenda, riders and exhibits, the “Franchise Agreement”), whether under the Direct Ownership Model or Managed Operation Model and whether a Startup Franchised Business or Conversion Franchised Business (as we determine). If you wish to purchase, and we agree to sell you, additional Franchises, you must sign our then-current form of franchise agreement for any additional Franchise that you wish to purchase. The terms of any then-current franchise agreement may differ from the Franchise offered under this Disclosure Document.

For the ownership, development, and operation of a Conversion Franchised Business, you must enter into a Franchise Agreement with us and also enter into a Conversion Addendum, in the form attached to the Franchise Agreement as Exhibit K.

You will operate your Nowlogy Franchise within a specified geographic territory (the “Territory”) comprised of a radius around the franchised location that is approximately 15 miles, provided the location is in a rural or suburban area. If the Franchise is located in an urban area, such as a city, major metropolitan downtown area or similarly situated or populated central business district, then the Territory may be limited to a 5-block radius around the approved franchise location (the “Location”). We will also consider other demographics in the design of the Territory that may include drive time, household income, average age demographics, traffic patterns, competition in the marketplace, and other applicable analytics. You must operate the Nowlogy Franchise only from the approved Location and in accordance with the System, standards and procedures designated by us.

The Franchise Agreement requires you to designate one of your Owners as your “Operating Partner.” Your Operating Partner must have authority to make all decisions on behalf of the Franchise and own at least a ten percent (10%) voting equity ownership interest in the entity that enters into the Franchise Agreement and operates the Franchise. You must obtain our approval of your Operating Partner. If your Operating Partner is not tasked with running the day to day operations of the Franchise full-time, then you must also designate at least one (1) full-time director to run the day to day operations of the Franchise (the “Clinic Director”). Your Operating Partner may act as the Clinic Director or you may designate a Clinic Director. Your Operating Partner and Clinic Director (if your Operating Partner is not your Clinic Director) must complete our initial training program to our satisfaction. You may also hire additional assistant Clinic Directors for your Franchise.

We require your current and future Owners and each Owner’s spouse to sign a personal guaranty (“Guaranty”), guaranteeing your performance and binding themselves individually to certain provisions of the Franchise Agreement, including the covenants against competition and disclosure of confidential information, restrictions on transfer and dispute resolution procedures.

The System.

Your Franchised Business will use our customized electronic health records systems and electronic billing systems (“EHR Systems”). Our EHR Systems provide online practice management solutions for your Franchised Business, including secure client portals allowing your clients to schedule appointments and view their profiles, electronic case note and treatment plans, progress notes to billing with clinical data flows, scheduling, billing and claims (including with third party payors), and staffing reports. We also provide third party reimbursement (credentialing) support directly or through our vendors.

You will operate your Franchised Business under the “Nowlogy” service mark and logo and other Marks as we may authorize, using our unique operating system, which, in addition to our EHR Systems, includes our proprietary billing and third party reimbursement (credentialing) support, branded email accounts, recognizable exterior and interior layout, décor, and design, accents, method, technology system, Website, Marks, IP, and other know-how, information, trade secrets, and confidential information, as well as our the trade dress; client service and quality control; a communication strategy that complies with the prescribed standards; a price policy that complies with our market position; signage; management techniques; quality and uniformity of the Services offered; procedures for client management and financial control; training and assistance; advertising, marketing and promotional programs and the provisions of the operations manuals and other written materials guides, instructions and communications whether on paper, Internet or in other electronic format, all of which we may revise, change, cancel, alter, amend, further improve, discontinue, develop or otherwise modify, from time to time (the “System”). By granting you a franchise, we are only granting you a right to use our System and Marks. We may change or otherwise modify the System at any time as we see fit. Your Franchised Business will generally require 1 to 15 Licensed Providers, as well as other staff, depending on the size and location of your Franchised Business and the products and services that you offer. Your Franchised Business must generally be between 1,230 and 1,350 square feet, with a lobby/waiting area and typically 4-8 separate counseling rooms.

Products and Services.

The specific products and services you may offer from your Franchised Business will vary depending on the licensure of the medical professionals involved and we must approve the products and services you offer. As described in Item 16, your Franchised Business will use our System to provide individuals, couples, families, and groups of all ages counseling and therapeutic products and services, which may include (subject to our approval and depending on your licensure and your Licensed Providers and Clinic Director):

- Psychological services
- Professional coaching or Performance enhancement services
- Forensic services
- Medication management services
- Materials such as books that we develop or may require you to sell from your Franchised Business

If you offer medication management services through Licensed Providers, you must hire and retain at least 1 medical assistant per each Qualified Prescriber (as defined in Item 6) working at your Franchised Business to provide support services to that Qualified Prescriber. The medical assistant must work an equivalent number of hours per week as the Qualified Prescriber in order to ensure adequate support.

You must obtain our prior approval for all products and services you offer through your Franchised Business, and you can only offer those products or services that the medical professionals involved in your Franchise Business are licensed to provide. These products and services must be offered through in-office

sessions. We may also permit your Franchised Business to offer certain products and services through in-office and in-home sessions, class and group sessions and workshops, and online, remote, or telehealth sessions and workshops, as we may direct. In-office and in-home sessions are offered on an as-requested basis from your clients, and your Franchised Business may also host class and group sessions and workshops which may focus on particular subjects or themes. We do not interfere, affect, or limit the independent exercise of medical judgment by the licensed medical professionals. However, we require that your Franchised Business adhere to all applicable laws including any state standards on counseling and therapeutic services, and we reserve the right to restrict you from offering certain products or services for any reason.

Competition.

The market for mental health services is developed. Your competitors include hospital affiliated clinics, group practice clinics, private practice clinics, and online therapy companies. The target market for your Franchised Business is any individual, couple, family, or group interested in or requiring counseling or therapy or other mental health care services (including the parent or guardian of any minor). The mental health services field it is a competitive market as you will be competing for clients with other counseling and therapy clinics (which may be solo practitioners, independent clinics, or parts of regional or national chains), places of education and worship, community organizations, hospitals, and government agencies, all of which may offer some or all of the products and services you will offer through your Franchised Business. The mental health industry is not seasonal.

Industry Specific Laws.

You must comply with all federal, state, and local laws, regulations, and licensing requirements that apply to your Franchised Business. You are responsible for investigating and evaluating the federal, state, and local laws that may apply to the structuring and operation of your Franchised Business, and the federal, state, and local restrictions regarding the ownership of your Franchised Business and the individuals that may or may not provide services through your Franchised Business. We may require you to consult with an attorney regarding the laws and regulations and the permit, license, and certificate requirements that may apply to your Franchised Business before signing a Franchise Agreement with us.

The health care industry is heavily regulated. Some of the laws, regulations, and licensing requirements that apply to mental health clinics and will apply to your Franchised Business, relate to the practice of mental health and the licensing and operation of counseling services; privacy of patient records (including the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and the Health Information for Economic and Clinical Health Act, or HITECH); the relationship of providers and suppliers of health care services with mental health professionals, including state and federal anti-kickback and self-referral laws and restrictions (such as the federal “Stark Law” and similar state laws) and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid; prohibitions on fee splitting ; and payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid). The form of Business Associate Agreement that you must sign is attached to this Disclosure Document as Exhibit J. Your Franchised Business may also be required to meet credentialing and enrollment requirements in order to participate in private and government insurance programs.

Whether many of these laws, regulations, and licensing requirements will apply to your Franchised Business, will depend on the location of your Franchised Business, the type of products and services you offer through your Franchised Business, and the types of private and government insurance that you accept at your Franchised Business. The laws and regulations and the permit, license, and certificate requirements that apply to counseling and therapy clinics vary state by state. In addition, the Operations Manual may

require that you take certain actions related to Medicare, Medicaid, and other government programs, in compliance with these laws and our standards.

Medicare Anti-Assignment Rule: The Medicare Anti-Assignment Rule prohibits anyone, except the provider, from receiving payments from federal government healthcare programs. If your Franchised Business accepts payments from federal government healthcare programs, you will need to comply with this Rule and may need to maintain separate bank accounts to separate payments received from federal government healthcare programs from commercial payors.

Advertising and Promotion: There are local, state, and federal laws, rules, and regulations that regulate the type of marketing that you may or may not make as to the products and services offered by your Franchised Business, the results that a customer or patient may or may not achieve, and whether or not the products and services are authorized, cleared, or approved by any government agency or authority. Many states require that health care providers make a proper disclosure to their patients regarding their affiliation with a person or entity if they will receive, directly or indirectly, remuneration for securing or soliciting the patient. Medicare regulations, and many state regulations, also impose a duty to collect payments from clients.

General Laws and Regulations: In addition to the specific laws, regulations, and licensing requirements discussed above, your Franchised Business will be subject to national, state, and local laws, regulations, and licensing requirements that apply to all businesses, such as the Americans With Disabilities Act of 1990, labor and wage laws, employment practices, immigration and employment laws, construction, zoning, health, and safety requirements, taxes, Federal Trade Commission regulations, and business licensing requirements. You must also comply with all zoning laws and regulations that apply to your Franchised Business.

Minnesota Psychology Regulations: In Minnesota you must comply with all applicable laws, rules and regulations. This includes but is not limited to: Minn. Stat. §144.291 MINNESOTA HEALTH RECORDS ACT, Minn. Stat. §148.88 -148.98 and the Board of Psychology Rules: Minn. R. Ch. 7200.

South Dakota Psychology Regulations: In South Dakota, you must comply with all applicable laws, rules and regulations. This includes but is not limited to: Chapter 36-27A and Article 20:60.

Texas Psychology Regulations: In Texas, you must comply with all applicable laws, rules and regulations. This includes but is not limited to: Texas Constitution and Statutes Chapter 507 of the Occupations Code, the enabling legislation for the Texas Behavioral Health Executive Council; Chapter 501 of the Occupations Code, the Psychologists' Licensing Act; and Texas Administrative Code for Texas Behavioral Health Executive Council, 22 TAC, Part 41, Chapters 881-885 and Texas State Board of Examiners of Psychologists, 22 TAC Part 21, Chapters 463, 465, and 470.

Wisconsin Psychology Regulations: In Wisconsin you must comply with all applicable laws, rules and regulations. This includes but is not limited to: Wisconsin Administrative Code for Psychology Examining Board (Chapters 1-5), the Department of Safety and Professional Services Administrative Procedures (Chapters 1, 2, 3, 4, 6, 7, 8, 9), and Wisconsin Statutes Chapter 15, 440 and 455.

Interjurisdictional Telepsychology: If Psychologists are practicing across state lines without a license in the other state(s), your clinic must comply with regulations governed by E. Passport from the Association of State and Provincial Psychology Boards (ASPPB) and Authority to Practice Interjurisdictional Telepsychology from the PSYPACT Commission.

You should investigate the application of these regulations further.

You must comply with the Payment Card Industry Data Security Standard (“PCI DSS”) established by major credit card brands to ensure that merchants securely store, process, and transmit client credit information.

You are advised to examine all applicable laws and regulations carefully with a qualified advisor before purchasing a Franchise from us and should consider these laws and regulations when evaluating your purchase of a Franchise. You alone are responsible for investigating, understanding, and complying with all applicable laws, regulations, and requirements applicable to you and your Franchise, despite any advice or information that we may give you. Failure to comply with laws and regulations is a material breach of the Franchise Agreement.

ITEM 2 BUSINESS EXPERIENCE

Amelia S. Paquin – Chief Executive Officer

Dr. Paquin, a licensed psychologist, is our Chief Executive Officer and has served as the Chief Executive Officer since our formation in Hastings, MN. Dr. Paquin founded and has served as the Chief Executive Officer of Psychology Express Inc. since July 2017 in Hastings, MN.

Maria Almanzar - Chief Operating Officer

Ms. Almanzar is our Chief Operating Officer and has served as the Chief Operating Officer since our formation in Hastings, MN. Ms. Almanzar joined Psychology Express, Inc. as a director in April 2022, and was promoted to Chief Operating Officer in February 2024. Ms. Almanzar worked at Oklahoma Children’s Hospital in Oklahoma City, OK, a part of Oklahoma University (OU) Health from March 2020 to March 2022 in a Director Administrative role overseeing all of Pediatrics and Psychology. From September 2019 to March 2020, Ms. Almanzar was not employed.

Gabriella Gerber - Marketing & Business Manager

Ms. Gerber is our Marketing & Business Manager and has served as the Marketing & Business Manager for us since our formation in Hastings, MN. Ms. Gerber has served as Marketing and Business Manager of Psychology Express, Inc. since September 2023 in Hastings, MN. Ms. Gerber was the Marketing Manager at Sean Philip Bridals from May 2020 to September 2023 in Princeton, Illinois. From September 2019 to May 2020, Ms. Gerber was a student at St. Ambrose University in Davenport, Iowa.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee.

The initial franchise fee for the right to develop and operate one (1) Nowlogy Clinic is \$40,000 (“Initial Franchise Fee”).

If we grant you the right to open additional Nowlogy Clinics after your first Nowlogy Clinic, then we will offer you a 25% reduction of the then-current initial franchise fee for any subsequent franchise agreement. However, there is no guarantee that the additional franchises will be available in any particular area.

Conversion Franchised Business: If you are converting an existing outpatient mental health clinic to a Nowlogy Franchised Business, the Initial Franchise Fee will be reduced to \$20,000 for each converting clinic (the “Conversion Initial Franchise Fee”). We will determine whether an existing outpatient mental health clinic qualifies as a Conversion Franchised Business based on various factors, including the length of time the existing clinic has operated; current products and services offered by the existing clinic; the qualifications of the Licensed Providers; the current technology systems used by the existing clinic; the current buildout, layout, design, and décor of the existing clinic; and the overall community presence, relationships with hospital, government, and other systems, client recognition, and culture of the existing clinic as it may relate to our concept and brand.

You will pay the Initial Franchise Fee or the Conversion Initial Franchise Fee in full at the time you sign your Franchise Agreement. The Initial Franchise Fee and Conversion Initial Franchise Fee are uniform for all similarly situated franchisees, is deemed fully earned upon payment and, in consideration of administrative and other expenses we incur in granting this Franchise and for our lost or deferred opportunity to offer the Franchise to others, is nonrefundable under any circumstances.

Corporate Loyalty Program

We have a loyalty program that offers a reduced Initial Franchise Fee to Franchisees who have worked as either a contractor or employee of our affiliate, PEI for at least 24 uninterrupted months preceding the purchase, have worked in the field of Psychology for a minimum of 5 years, and are willing to open the Franchised Business in a highly desired location chosen by the Franchisor. If you qualify for this discount, we will reduce the Initial Franchise Fee to \$10,000 for the first Franchised Business to be developed by you and your affiliates. A reduced Initial Franchise Fee only applies to a Franchise Agreement you enter into with us during the time we offer the applicable program. We may modify or terminate this program at any time, but no modification or termination will affect any Franchise Agreement you sign during the time the applicable program is offered. This discount does not apply to Conversion Franchised Businesses.

Initial Training.

Prior to opening your Nowlogy Clinic business, you must also complete our initial training program. Training for your Operating Partner and Clinic Director is included in the Initial Franchise Fee or the Conversion Initial Franchise Fee. At our option, this training will occur in Hastings, Minnesota or another location designated by us. You are solely responsible for all costs and expenses, including wages, travel and lodging of yourself and your attendees. We may provide initial training to additional personnel who are approved by us and have active roles in operating the Franchise at any of our scheduled initial training courses at our then-current fee upon commencement of the training program at your request and subject to our availability. The current initial training fee for additional attendees is \$1,500 per attendee.

Onboarding Package Fees

For your first Nowlogy Clinic franchise, you must pay us our current fee for our onboarding package (the “Onboarding Package Fee”) for certain products and services we provide to you before or after opening (the “Onboarding Package”). The current Onboarding Package Fee is \$10,000, which will be included in the Initial Franchise Fee or the Conversion Initial Franchise Fee, due and payable when you sign your first Franchise Agreement with us and is fully earned by us when you sign the Franchise Agreement. It is nonrefundable and is not credited against any other obligation you have to us or our affiliates.

Our Onboarding Package may currently include the following products and services that we (or our designee or supplier) provide to you before or after opening (typically, within 90 days of opening) (in our discretion):

- Outreach to develop awareness of your Franchised Business within hospital, government, and other systems.
- Contracting (for up to 5 payors) to process contract-related administrative functions, including NPI/facility setup for insurance contracts for each insurance plan that you want to invoice. The contracting services you need for your Franchised Business will vary depending on whether you decide to accept insurance, the insurance plans that you want to accept, and existing credentials. We do not work with Medicare insurance currently, but may in the future.
- Billing set-up
- Technology set-up of certain technology and online services we provide to you.
- You will also pay us monthly Technology Fees (see Item 6). These are not the only technology or technology services you will need to operate your Franchised Business and you are responsible for obtaining any additional technology and services.

Contracting and Credentialing Services Fees

You must pay us our current per payor contract services fees and per provider credentialing services fees:

- For your first Nowlogy Clinic, our Onboarding Package includes contracting services for up to 5 payors per franchise and you must pay our current per payor contract services fees for any additional payors beyond the 5 payors included in our Onboarding Package (currently, \$500 per payor). For your second and any subsequent Nowlogy Clinics, you must pay our current per payor contract services fees for each payor (currently, \$300 per payor).
- You must pay our current per provider credentialing services fee for each provider new to Nowlogy that you hire (currently, \$500 per provider).

The contract and credentialing services fees are nonrefundable (regardless of whether we obtain any approvals or are otherwise able to obtain such contracts or credentialing) and are payable before we provide the contract and credentialing services.

There are no other payments to or purchases from us or our affiliates that you must make before your Franchise opens.

**ITEM 6
OTHER FEES**

Type of fee	Amount	Due date	Remarks
Royalty Fee (1) Qualified Clinician System Fee) (2)	7.5% of Collected Revenue per Qualified Clinician in the prior month with at least a minimum of \$4,000 per month.	Payable monthly on the 10 th day of each month for the previous month Qualified Clinician System Fee.	The royalty fee (“ <u>Royalty Fee</u> ”) is payable to us by ACH electronic funds transfer or other manner we designate.
Brand Fund Contribution (3)	\$100 per month per each Qualified Clinician and Qualified Prescriber in the prior month	Payable at the same time and in the same manner as the Royalty Fee.	Contributed to the Brand Fund.
Local Advertising Requirement (4)	\$125 per month per each Qualified Clinician and Qualified Prescriber in the prior month	Monthly after opening and as incurred.	Contributed to the Brand Fund only if you do not spend the minimum amount each month. You will pay the Local Advertising Requirement to third parties. You must submit evidence of these expenditures on a quarterly basis. All local marketing and advertising must be approved by us. We reserve the right to collect the Local Advertising Requirement and spend the funds on your behalf if you are not complying with these requirements. See Item 11.

Type of fee	Amount	Due date	Remarks
Local and Regional Advertising Cooperative	As established by cooperative members.	As incurred.	If a Cooperative is established which encompasses your Territory, you will automatically and immediately become a member of the Cooperative and you must agree to contribute to the Cooperative the amount agreed upon by a majority of the members of the Cooperative, to pay that amount to the Cooperative at the times agreed upon by a majority of the members up to 50% of your Local Advertising Requirement, and to abide by the Cooperative's rules. The payments you make to a Cooperative may be applied by you toward satisfaction of your Local Advertising Requirement, but if the amount you contribute to a Cooperative is less than the amount you must spend on local advertising, you must still spend the difference locally.
Reporting Non-Compliance Fee	\$150 per violation	As incurred.	If there is any instance of non-compliance with System Standards, you will pay us a non-compliance fee. If such non-compliance is ongoing, we may charge you One Hundred Fifty Dollars (\$150) per week until you cease such non-compliance. The non-compliance fee is in addition to all our other rights and remedies.
Operations Non-Compliance Fee	\$150 to \$500 per occurrence.	As incurred.	If there is an instance of non-compliance for failure to comply with operational standards as required and specified under the Franchise Agreement, you will pay us an operations non-compliance fee, plus interest, costs, and legal fees.
Technology Fee (5)	\$200 per month per Qualified Clinician in the prior month \$400 per month per Qualified Prescriber in the prior month	Payable with the first Royalty Fee and Brand Fund Contribution or monthly, as determined by us.	We reserve the right to increase the technology fee to cover the cost of website development and maintenance, support of our email system, software development, and Social Media Materials and Social Media Platforms (as defined in Item 11) or if we develop or introduce new technology, improve existing technology, if our costs increase or supplier/vendor

Type of fee	Amount	Due date	Remarks
			pricing increases; provided that such increase for per Qualified Clinician will not exceed \$400 per month and such increase for per Qualified Prescriber will not exceed \$800 per month.
Continuing Training	Up to \$200 per hour, per trainer, plus expenses including travel, lodging, meals and applicable wages if travel is required.	Prior to continuing training.	Continuing training sessions are mandatory for your Operating Partner and majority Owner (if different people), payable to us by ACH electronic funds transfer or other manner we designate.
Additional Training; Mandatory Remedial Training; On-Site Assistance or Training (8)	<p>Our per diem cost per trainer, is \$1,500 per attendee for the first day and \$1,000 per attendee for each additional day.</p> <p>You are also responsible for both you and your trainees' expenses including travel, lodging, meals, and applicable wages if travel is required.</p>	Prior to training.	<p>Additional Training is training requested by you in addition to Initial Training or Continuing Training or training we require (a) upon execution of a successor agreement or (b) upon a change in your Operating Partner.</p> <p>Remedial Training is additional training we determine is necessary or appropriate in our sole discretion to protect the quality, integrity and reputation of the System, Marks, and IP.</p> <p>Any on-site training is provided at our sole discretion. Payable to us if you request that we provide additional training on-site in your Territory or if we require you to participate in remedial training on-site. The expenses you must reimburse to us include travel, lodging and meals. Paid by EFT or other manner we designate.</p> <p>The fee for this training paid to us.</p> <p>Paid by EFT or other manner we designate.</p>
Meetings, Conventions and Conference (9)	\$500 per attendee. You are responsible for both you and your attendees' expenses including travel, lodging, meals and applicable wages.	As incurred.	We do not currently hold any meetings, conferences or conventions of franchisees, but we may do so in the future. If we do, then you will be responsible for your attendees' associated expenses, including any registration or attendance fee to cover the cost of the conference and all travel, food and lodging expenses that you and your personnel incur in attending the

Type of fee	Amount	Due date	Remarks
			annual meeting or conference. If you do not attend an annual conference, you will be responsible for making up any training offered at the conference at a time and location we designate in our sole discretion and at your sole expense.
Renewal Fee	\$10,000	Payable prior to renewal.	Payable to us as a condition of the renewal of your Franchise along with other conditions for renewal.
Transfer Fee	50% of the current initial franchise fee or conversion initial franchise fee (whichever applicable) for transfers to an existing franchisee in good standing. 75% of the current initial franchise fee or conversion initial franchise fee (whichever applicable) for transfers outside the system. \$1,500 for transfers to approve a change in ownership that does not impact the controlling interest in the franchisee entity.	Payable upon application to transfer if we do not exercise our right of first refusal.	Payable to us if you transfer your Franchise or interest in your Franchise. We may waive a portion of this fee upon a transfer (1) resulting from your death or disability; or (2) to an immediate family member (spouse, child, parent or sibling).
Relocation Fee	\$2,500, or our costs and expenses associated with the relocation, whichever is greater.	As incurred.	If you relocate your Nowlogy Clinic you must pay us any costs we incur in assisting you with the relocation including salary and travel expenses, professional fees, demographic reports and other costs. Paid by EFT or other manner we designate.
Accounting/Audit Fee	Our costs and expenses associated with the audit.	When incurred.	Payable if audit shows an underpayment of 2% or more of Net Revenue for any time period.
Interest on Overdue Amounts	The lower of 1.5% interest per month or the highest rate available by law on the past due amount.	First day of late period.	Interest is due on all overdue payments. Interest accrues from the original due date until payment is received in full.
Shared Services Fee (6)	7.5% of Collected Revenue in the prior month	Payable on the 10th day of each month for the prior month	Monthly Shared Services Fee shall be paid to us for providing various administrative services to you. You may request to opt out of certain shared services and retain your

Type of fee	Amount	Due date	Remarks
			own approved vendor for these services, if you meet our requirements and receive prior written approval from us.
Management Fee (7)	7.5% of Collected Revenue in the prior month	Payable on the 10th day of each month for the prior month	<p>The Management Fee is paid to us. In addition to our right to terminate the Franchise Agreement, we may manage and operate your Franchise if you fail to cure a default within the applicable cure period (if applicable). We also have the right to step in and operate your Franchise in certain circumstances, including your death, disability, or prolonged absence where you are unable to provide oversight of the Franchise to prevent harmful interruption of your Nowlogy Clinic business.</p> <p>The reimbursable expenses include our and our representatives' wages, travel, lodging and meals. During any management period, you will still be required to pay to us all recurring fees.</p>
Insurance	The premium, plus 20% of the premium	When incurred.	If you fail to maintain the required insurance, we have the right, but not the obligation, to procure insurance on your behalf and you must reimburse us the premium payment plus a fee of 20% of the premium to cover our costs.
Indemnification	Amount will vary under the circumstances.	Date incurred.	You must reimburse us and/or our affiliate if we incur liability because of the operation of your Franchise.
Costs of Enforcement and Defense	Amount will vary under the circumstances.	Date incurred.	You must pay our costs and attorneys' fees if we must take action to enforce your obligations to us.
Insufficient Funds Fee	\$250 per violation.	On demand.	If the bank account you designate for payment of the Royalty Fee, Brand Fund Contribution, and any other reoccurring fees does not contain sufficient funds to make any payments, you must pay us a fee of \$50 per incident.
Operations Manual Replacement Fee	\$500	As incurred.	Payable to us if you need a replacement to the Operations Manual.

Type of fee	Amount	Due date	Remarks
Reimbursement of Taxes	Will vary.	As incurred.	We reserve the right to require you to reimburse us for any future tax obligations on Royalty Fees, Brand Fund Contributions, and other fees. This does not include any responsibility to reimburse us for any of our income taxes.
Contract Services Fees (8)	\$500 per commercial insurance/payor after first 5 for the first franchisee, then \$300 per payer for additional outlets owned by the same franchisee	Upon demand.	See Note 8.
Credentialing Services Fees (8)	\$500 per provider	Upon demand.	See Note 8.
Supplies and Inventory	Varies based on amount and type of purchases	As incurred	See Note 11

All fees are paid to us and are nonrefundable (except as provided below). Upon at least 60 days' prior notice to you, we may change the frequency of payment of any fees payable to us, including on a weekly or other billing cycle rather than monthly or annually, in which case the fee will be prorated based on the number of days in the applicable billing cycle.

Defined Terms.

A "Qualified Clinician" means a Licensed Provider providing outpatient counseling and therapy products and services, OR evaluation and management services that is licensed to prescribe medication to patients, directly or indirectly, at or through your Franchised Business in a given calendar month (whether working part-time or full-time, whether providing services for a full or partial month, and whether retained as an employee or independent contractor). However, if a Qualified Clinician provides products or services, directly or indirectly, at or through multiple Nowlogy Clinics owned or managed by you or your affiliates, we will allocate the Qualified Clinician on a pro-rata basis to each Nowlogy Clinic based on the approximate hours worked at each Nowlogy Clinic or allocate the Qualified Clinician to a single Nowlogy Clinic, as we may determine.

A "Qualified Prescriber" means a Licensed Provider who provides evaluation and management services that is licensed to prescribe medication to patients, directly or indirectly, at or through your Franchised Business in a given calendar month (whether working part-time or full-time, whether providing services for a full or partial month, and whether retained as an employee or independent contractor). However, if a Qualified Prescriber provides products or services, directly or indirectly, at or through multiple Nowlogy Clinics owned or managed by you or your affiliates, we will allocate the Qualified Prescriber on a pro-rata basis to each clinic based on the approximate hours worked at each clinic or allocate the Qualified Prescriber to a single clinic, as we may determine.

"Collected Revenue" means the total amount of revenues, income, receipts, reimbursements, and other fees actually received that are attributable to or earned by the Licensed Providers or other employees or contractors of the Franchised Business for activities and services taking place by or through the Franchised Business or processed through the EHR System, and all other services and products, if any, sold under the Marks, or otherwise related to the Franchised Business, including amounts received for co-pays, private

payments, and insurance reimbursements. Amounts collected and remitted by you to any governmental taxing authority in satisfaction of sales, provider, or occupation taxes are excluded from Collected Revenues.

Notes:

1. Unless otherwise indicated above, all fees and expenses are imposed and collected by and are paid to us. All fees and expenses are non-refundable and uniformly imposed for all franchisees. We will automatically draft Royalty Fees and any additional fees due to us from your bank account according to the terms of the Franchise Agreement.

2. In consideration of the license to use our System and Marks, you must pay us a monthly Qualified Clinician System Fee, and if you offer or sell medication management services at or through your Franchised Business, you must also pay us a monthly Qualified Prescriber System Fee. Qualified Clinician System Fees and Qualified Prescriber System Fees are calculated and due on a per Qualified Clinician and per Qualified Prescriber basis, respectively, based on data available in our EHR System or otherwise available to us.

3. You must pay us a monthly Brand Fund Contribution to the Nowlogy system-wide Brand Fund in the amount not to exceed \$100 per each Qualified Clinician and Qualified Prescriber in the prior calendar month, due and payable on the 10th day of each month for the prior month. All our franchisees must contribute to the Brand Fund, but the Nowlogy Clinics we or our affiliates own are not required to contribute to the Brand Fund.

4. In addition to the Brand Fund Contribution, once your Franchised Business opens, you must spend at least \$125 per each Qualified Clinician and Qualified Prescriber in the prior calendar month on approved local marketing activities (see Item 11). Your local marketing spend requirement is calculated and due on a per Qualified Clinician and per Qualified Prescriber basis, respectively, based on data available in our EHR System or otherwise available to us. Upon sixty (60) days' notice to you, we may decrease or increase the minimum local marketing spend requirement. If you do not meet this monthly requirement, we may require you to contribute to the Brand Fund the difference between what you actually spent on approved local marketing and the minimum that you were required to spend on approved local marketing. Indirect costs you incur in managing your local advertising campaigns, such as salaries and benefits of your employees, will not count towards these minimum expenditure requirements. Additionally, any costs you incur for paid media advertising where keyword strategy or pay-per-click tactics are used and advertising conducted at your Franchised Business (such as grand opening marketing expenses, in-clinic materials, and signage or banners) will not count towards these minimum expenditure requirements.

5. You must pay us our current monthly Technology Fees based on the number of Qualified Clinicians and Qualified Prescribers in the prior calendar month. Technology Fees are calculated and due on a per Qualified Clinician and per Qualified Prescriber basis, respectively, based on data available in our EHR System or otherwise available to us. These Technology Fees are for providing various technology and online services to you, which we may change at any time and are not part of the onboarding package. As of the issuance date of this Disclosure Document, these services include a license to the EHR System, Microsoft Office 365 license, telehealth integration, franchise system intranet, Psychology Today subscription, HIPAA compliance software, and credentialing maintenance and compliance (whether or not your Franchised Business accepts insurance). We reserve the right to change the Technology Fees upon 30 days' prior notice to you, not to exceed \$400 per Qualified Clinician per month and \$800 per Qualified Prescriber per month. These are not the only technology or technology services you will need to operate your Franchised Business and you are responsible for obtaining any additional technology and services that are deemed necessary by Franchisor.

6. You must pay us a monthly Shared Services Fee for providing various administrative services to you, including a call center with lead routing, client service, billing services including insurance verification, first appointment scheduling, and credentialing maintenance (including in-network, attestations, payors, and provider eligibility). You may request to opt out of certain shared services and retain your own approved vendor for these services, if you meet our requirements and receive prior written approval from us.

7. In addition to our right to terminate the Franchise Agreement, we may manage and operate your Nowlogy Clinic if you fail to cure a default within the applicable cure period (if applicable). We also have the right to step in and operate your Nowlogy Clinic in certain circumstances, including your death, disability or prolonged absence where you are unable to provide oversight of the Franchised Business to prevent harmful interruption of your Nowlogy Clinic. The reimbursable expenses include our and our representatives' wages, travel, lodging and meals. During any management period, you will still be required to pay to us all recurring fees.

8. The contracting and credentialing services you need for your Franchised Business will vary depending on whether you decide to accept insurance, the insurance plans that you want to accept, and existing credentials. You must pay us our current per payor contract services fees and per provider credentialing services fees:

- a. For your first Nowlogy Clinic, our Onboarding Package includes contracting services for up to 10 payors (see Item 5) and you must pay our current per payor contract services fees for any additional payors beyond the 10 payors included in our Onboarding Package.
- b. For your second and any subsequent Nowlogy Clinics, you must pay our current per payor contract services fees for each payor. You must pay our current per provider credentialing services fee for each provider.
- c. The contract and credentialing services fees are nonrefundable (regardless whether we obtain any approvals) and are payable before we provide the contract and credentialing services.

9. Any new owner or Clinic Director must complete our Initial Training Program. You are responsible for providing to your staff members, including all providers employed or retained by you, a training program meeting our requirements. We may also provide Mandatory Remedial Training if we determine you or your staff are not meeting our standards at any time. If we require it, you or a staff member that we approve of must attend this Mandatory Remedial Training. We may also provide additional training that you request, and we agree to provide. If you request additional on-site training, or you do not meet our standards and we require you to have additional on-site training, you must reimburse our travel, lodging, and food expenses that we incur in providing this on-site training. Our current charge for any of these trainings is \$1,500 per attendee for the first day and \$1,000 per attendee for each additional day.

10. If we host annual or biannual conventions or conferences (“Annual National Conference”) for our franchisees, you must attend each Annual National Conference. You must pay this fee to cover the cost of that registration, regardless of whether you attend an Annual National Conference. If you want to send additional people to an Annual National Conference, for each one you will pay an additional registration fee. We currently anticipate the registration fee will be \$500 per Franchised Business (per attendee) starting in 2026 and may increase in the future but will not exceed \$1,000.

11. We or an affiliate may sell to you a supply of inventory to use in your Franchised Business, which may include branded items such as pens, stationary, uniforms and t-shirts, marketing materials including grand opening materials, and other items we or our affiliate may decide to sell to you. The cost for these items will vary depending upon many factors including the type and quantity of the items purchased.

12. We have the right to examine or audit your books, records, state sales tax returns and accounts. If an audit establishes that your Royalty Fee reports, Brand Fund Contribution reports or profit and loss statements have understated Collected Revenue for any period of time by two percent (2%) or more, then you must pay the audit's cost and our expenses, including the travel, fees, wages, lodging and meal expenses of the people who conduct the audit. Otherwise, we pay the cost of the audit. You must promptly pay us any Royalty Fee, Brand Fund Contribution or other deficiencies established by an audit, together with interest on all understated or past-due amounts. Interest is the lower of one and one-half percent (1.5%) per month or the highest rate allowed by law.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT

A. Standard Franchise

Type of expenditure (1)	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Initial Franchise Fee (2)	\$40,000	\$40,000	Lump Sum	At Signing of Franchise Agreement	Us
Interior Design/Leasehold Improvements (3)	\$2,500	\$50,000	As incurred	As arranged	Third parties
Utility and Security Deposits (4)	\$1,000	\$1,500	As incurred	As arranged	Third parties
Signage – Interior and Exterior (5)	\$2,500	\$5,000	As incurred	As arranged	Third parties
Furniture and Fixtures (6)	\$10,000	\$50,000	As incurred	As arranged	Third parties
EHR System, Software and Computers (7)	\$3,000	\$29,600	As incurred	As arranged	Third parties
Business Licenses and Permits (8)	\$200	\$3,000	As incurred	As arranged	Third parties
Professional Fees (9)	\$2,500	\$20,000	As incurred	As arranged	Third parties
Business Insurance (10)	\$1,000	\$3,000	As incurred	As arranged	Approved suppliers
Training Expenses (11)	\$2,500	\$5,000	As incurred	As arranged	Third parties

Type of expenditure (1)	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Grand Opening Marketing (12)	\$1,000	\$5,000	As incurred	As arranged	Third parties
Additional funds (3 months) (13)	\$5,000	\$50,000	As needed	As arranged	Varies
TOTAL (14)	\$71,200	\$262,100			

Notes:

1. We do not make any representation regarding whether any amounts paid to third parties are refundable. All amounts paid to us are non-refundable unless otherwise noted. Neither we nor any of our affiliates finance any of the initial investment. This estimates your start-up expenses. These expenses exclude payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; and competition. This table is an estimate of your initial investment to start a single Nowlogy Clinic under a Franchise Agreement from a leased space that is between 1,230-1,350 square feet with 4-8 therapy rooms. Your Franchised Business will generally be located in an urban/suburban commercial area near a university or healthcare hub.

2. Initial Franchise Fee. The Initial Franchise Fee is discussed in Item 5.

3. Interior Design/Leasehold Improvements. This estimate includes the cost for you to outfit your Nowlogy Clinic. You will need to comply with all specifications we require for your fit out of your location. Your actual costs may vary considerably depending on the size of the Franchise, the cost of local financing and other local conditions, including labor, material costs and construction fees. These estimates do not include extraordinary costs due to extensive redesign, permitting, variances, environmental issues, legal obstacles, etc.

4. Utility and Security Deposits. You must pay deposits for all the utility services. The cost will vary based on your creditworthiness, the municipality where the Nowlogy Clinic is located and the service providers. Some local governments may charge an additional amount for utility connections to offset their costs for maintaining water and sewer plants and these amounts are not included in the above figure. This estimate also includes deposits on utilities (waste, gas, water, and power), phone and internet and pest control.

5. Signage – Interior and Exterior. The amounts listed are for the purchase of the necessary signage for the Nowlogy Clinic as outlined in the Operations Manual.

6. Furniture and Fixtures. You will need to purchase furniture and fixtures for office and reception areas at your Franchise, meeting our standards and specifications. This estimate assumes that you purchase all the furniture and fixtures. This amount will vary based on the size of the Location. The estimates do not include cost for transportation or set-up charges.

7. EHR System, Software and Computers. This includes our customized electronic health records systems and electronic billing systems as well as our required client relationship management

software, accounting software and at least one desktop or laptop computer with encryption, and Microsoft Office Operating Systems. Higher number includes psychological testing materials if applicable to clinic for comprehensive testing options.

8. Business Licenses and Permits. This estimate reflects the fees you will pay to apply for various permits, licenses and accreditation. These fees can include building permits, sales tax permits, incorporation fees, fire inspection fees, and licensing board and health department fees. The application and fees required will depend upon the regulations of the governing agencies in your city and state.

9. Professional Fees. These fees are representative of the costs for engagement of professionals such as attorneys and accountants for the initial review and advice consistent with the start-up of a franchised business including the formation of the entity that will own the Franchise. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your Franchise.

10. Business Insurance. The insurance estimate is for the cost to obtain the minimum required liability insurance for your property and business operations. The cost of coverage will vary based upon the geographic area in which your Franchise will be located, your risk management policies, the size and condition of your Franchise, anticipated revenue and clients, your and your personnel's years of experience in the industry, your deductible and limits, the requirements of your landlord or vendors and other factors. The premium is going to depend primarily on claims history and volume and types of services provided. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry. This estimate represents the first six months of premiums and assumes you will not be required to prepay the annual premium. The policies covered include those described in Item 8.

11. Training Expenses. This estimate includes training for two (2) people. This estimate does not include the labor costs associated with your attendees' attendance at Initial Training. We provide instructors and instructional materials for the initial training program and charge a fee for Initial Training (as defined in Item 11) for your Operating Partner and Clinic Director, but you will need to arrange for transportation to Hastings, Minnesota or another location in the United States designated by us and pay for all expenses for your attendees including lodging, food and any wages. The cost will vary depending on the distance you and your attendees must travel and the type of accommodations you choose.

12. Grand Opening Marketing. You are required to spend a minimum of \$1,000 from the period beginning no earlier than six (6) weeks prior to the opening of the Franchise and ending no later than sixty (60) days after the opening of the Franchise for advertising to promote the opening of the Franchise. You must submit an initial marketing plan outlining your grand opening advertising proposed spending which shall be subject to our approval in writing. All grand opening advertising shall be subject to our approval in writing. Grand opening advertising expenditures may include off-site events (with our consent), digital advertising, print advertising, grand opening events, and product giveaways, which we must pre-approve in writing. Proof of such expenditures (cancelled checks, paid invoices, bank transfers, credit card receipts) must be provided to us within ninety (90) days of the opening in the manner and form we require.

13. Additional Funds. The estimate of additional funds is based on an approximation of expenses for the first three (3) months of operation, not including your owner's salary/draw and non-management expenses. We relied on the experience of our affiliate which own and operates Nowlogy Clinic businesses in Minnesota and Texas to compile this estimate. This estimate does not include your living expenses. Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business and your costs may be higher.

14. **TOTAL.** You should not assume that you can open your Franchise for the lowest estimates in all categories. We relied on the experience of our affiliate, which own and operate Nowlogy Clinic franchises, to compile these estimates. We do not offer financing directly or indirectly for any part of the initial investment.

B. CONVERSION FRANCHISE

Type of expenditure (1)	Amount		Method of payment	When due	To whom payment is to be made
	Low	High			
Conversion Initial Franchise Fee (2)	\$20,000	\$20,000	Lump Sum	At Signing of Franchise Agreement	Us
Interior Design/Leasehold Improvements (3)	\$1,500	\$5,000	As incurred	As arranged	Third parties
Utility and Security Deposits (4)	\$0	\$1,500	As incurred	As arranged	Third parties
Signage – Interior and Exterior (5)	\$1,000	\$5,000	As incurred	As arranged	Third parties
Furniture and Fixtures (6)	\$1,000	\$10,000	As incurred	As arranged	Third parties
EHR System, Software and Computers (7)	\$3,000	\$29,600	As incurred	As arranged	Third parties
Business Licenses and Permits (8)	\$0	\$3,000	As incurred	As arranged	Third parties
Professional Fees (9)	\$500	\$20,000	As incurred	As arranged	Third parties
Business Insurance (10)	\$1,000	\$3,000	As incurred	As arranged	Approved suppliers
Training Expenses (11)	\$2,500	\$5,000	As incurred	As arranged	Third parties
Grand Opening Marketing (12)	\$1,000	\$5,000	As incurred	As arranged	Third parties
Additional funds (3 months) (13)	\$5,000	\$50,000	As needed	As arranged	Varies
TOTAL (14)	\$36,500	\$157,100			

Notes to Table B:

1. We do not make any representation regarding whether any amounts paid to third parties are refundable. All amounts paid to us are non-refundable unless otherwise noted. Neither we nor any of our

affiliates finance any of the initial investment. This estimates your start-up expenses. These expenses exclude payroll costs. These figures are estimates and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; and competition. This table is an estimate of your initial investment for a conversion franchised business to start a single Nowlogy Clinic under a Franchise Agreement from a leased space that is between 1,230-1,350 square feet with 4-8 therapy rooms. Your Franchised Business will generally be located in an urban/suburban commercial area near a university or healthcare hub.

2. Conversion Initial Franchise Fee. The Conversion Initial Franchise Fee is discussed in Item 5.

3. Interior Design/Leasehold Improvements. This estimate includes the cost for you to improve your existing clinic to outfit your Nowlogy Clinic. You will need to comply with all specifications we require for your fit out of your location. Your actual costs may vary considerably depending on the size of the Franchise, the cost of local financing and other local conditions, including labor, material costs and construction fees. These estimates do not include extraordinary costs due to extensive redesign, permitting, variances, environmental issues, legal obstacles, etc.

4. Utility and Security Deposits. You must pay deposits for all the utility services. The cost will vary based on your creditworthiness, the municipality where the Nowlogy Clinic is located and the service providers. Some local governments may charge an additional amount for utility connections to offset their costs for maintaining water and sewer plants and these amounts are not included in the above figure. This estimate also includes deposits on utilities (waste, gas, water, and power), phone and internet and pest control.

5. Signage – Interior and Exterior. The amounts listed are for the purchase of the necessary signage for the Nowlogy Clinic as outlined in the Operations Manual.

6. Furniture and Fixtures. You will need to purchase or exchange your existing furniture and fixtures for office and reception areas at your Franchise, meeting our standards and specifications. This estimate assumes that you purchase all the furniture and fixtures. This amount will vary based on the size of the Location. The estimates do not include cost for transportation or set-up charges.

7. EHR System, Software and Computers. This includes our customized electronic health records systems and electronic billing systems as well as our required client relationship management software, accounting software and at least one desktop or laptop computer with encryption, and Microsoft Office Operating Systems. Higher number includes psychological testing materials if applicable to clinic for comprehensive testing options. We may at any time, upon notice to you, modify any prices or other amounts charged by us or our affiliate for products or services.

8. Business Licenses and Permits. This estimate reflects the fees you will pay to apply for various permits, licenses and accreditation. These fees can include building permits, sales tax permits, incorporation fees, fire inspection fees, and licensing board and health department fees. The application and fees required will depend upon the regulations of the governing agencies in your city and state.

9. Professional Fees. These fees are representative of the costs for engagement of professionals such as attorneys and accountants for the initial review and advice consistent with the start-up of a franchised business including the formation of the entity that will own the Franchise. We strongly recommend that you seek the assistance of professional advisors when evaluating this franchise opportunity, this Disclosure Document, and the Franchise Agreement. It is also advisable to consult these professionals to review any lease or other contracts that you will enter into as part of starting your Franchise.

10. **Business Insurance.** The insurance estimate is for the cost to obtain the minimum required liability insurance for your property and business operations. The cost of coverage will vary based upon the geographic area in which your Franchise will be located, your risk management policies, the size and condition of your Franchise, anticipated revenue and clients, your and your personnel's years of experience in the industry, your deductible and limits, the requirements of your landlord or vendors and other factors. The premium is going to depend primarily on claims history and volume and types of services provided. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry. This estimate represents the first six months of premiums and assumes you will not be required to prepay the annual premium. The policies covered include those described in Item 8.

11. **Training Expenses.** This estimate includes training for two (2) people. This estimate does not include the labor costs associated with your attendees' attendance at Initial Training. We provide instructors and instructional materials for the initial training program and charge a fee for Initial Training (as defined in Item 11) for your Operating Partner and Clinic Director, but you will need to arrange for transportation to Hastings, Minnesota or another location in the United States designated by us and pay for all expenses for your attendees including lodging, food and any wages. The cost will vary depending on the distance you and your attendees must travel and the type of accommodations you choose.

12. **Grand Opening Marketing.** You are required to spend a minimum of \$1,000 from the period beginning no earlier than six (6) weeks prior to the opening of the Franchise and ending no later than sixty (60) days after the opening of the Franchise for advertising to promote the opening of the Franchise. You must submit an initial marketing plan outlining your grand opening advertising proposed spending which shall be subject to our approval in writing. All grand opening advertising shall be subject to our approval in writing. Grand opening advertising expenditures may include off-site events (with our consent), digital advertising, print advertising, grand opening events, and product giveaways, which we must pre-approve in writing. Proof of such expenditures (cancelled checks, paid invoices, bank transfers, credit card receipts) must be provided to us within ninety (90) days of the opening in the manner and form we require.

13. **Additional Funds.** The estimate of additional funds is based on an approximation of expenses for the first three (3) months of operation, not including your owner's salary/draw and non-management expenses. We relied on the experience of our affiliate which own and operates Nowlogy Clinic businesses in Minnesota and Texas to compile this estimate. This estimate does not include your living expenses. Cash flow from your operations may not be adequate to cover operating and other costs during the initial phase of business and your costs may be higher.

14. **TOTAL.** You should not assume that you can open your Franchise for the lowest estimates in all categories. We relied on the experience of our affiliate, which own and operate Nowlogy Clinic franchises, to compile these estimates. **We do not offer financing directly or indirectly for any part of the initial investment.**

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

We and our owners and affiliates have spent considerable time, effort, and money to develop the System. You must conform to our high and uniform standards of Service quality, safety, service, and appearance. We anticipate that our standards will change over time. You are expected to adhere to these changes. To ensure that you maintain the highest degree of consistency, quality and service, you must operate and develop your Franchise in strict conformance with our methods, standards and specifications and obtain certain items, inventory, services, supplies, materials, equipment, furnishings, new FDA-approved medical grade therapies, and other products, including your advertising materials, computer hardware, and software, in strict compliance with our specifications and only from us, our affiliate or the authorized manufacturers, distributors, suppliers, vendors,

merchants or providers designated or approved by us. Our methods, standards and specifications (the “System Standards”) are prescribed in the Franchise Agreement and our confidential operations manual, which we loan to you in the form of one (1) or more manuals, internet catalogues, technical bulletins or other written materials in hard copy, electronic or otherwise (“Operations Manual”). All Services and Products, inventory, equipment, supplies, computer software and hardware, insurance, supplies, marketing components and techniques, client service standards, and other supplies used in your Nowlogy Clinic business must comply with System Standards.

We formulate and modify our System Standards based upon the collective experience of our franchisees, affiliates, and our principals. We will disclose to you, in the Operations Manual or otherwise in writing, any specifications on the Services, products, furniture, décor, and botanical based skincare products by designating approved brands, types, compositions, performance standards, qualities or suppliers. You must sell and offer for sale all Services required by us in the manner and method we require. You must not deviate from our System Standards without obtaining our prior written consent. You must discontinue selling and offering for sale any items, Products and Services that we may disapprove in writing at any time. We may periodically change System Standards at our sole discretion, and we reserve the unlimited right to formulate, modify and supplement our System Standards for operating the Franchise. We will provide you with written notice of any changes as they occur, which may include through mail, email, posting on our Website or other means. You must implement all changes as soon as practical at your sole expense. You may incur increased costs to comply with our changes. We may also require you to occasionally participate in the test marketing of potential products and services at your expense.

We reserve the right to establish a client survey program and if we do, you must participate in the program. A significant level of negative feedback from your clients will be a default under your Franchise Agreement, and we may require you to participate in remedial training.

Purchases from Approved Suppliers.

You will be required to purchase certain products and services only from suppliers that we approve including manufacturers, distributors, suppliers, vendors, merchants or providers of goods and services (“Approved Suppliers”). These items currently include all furniture, equipment, décor, marketing materials, signage and any item bearing the Marks. We have the right to require you at any time to purchase other products and/or services only from Approved Suppliers.

You must purchase or acquire only from us or our affiliates our Onboarding Package, EHR Systems, and contract and credentialing and billing services. You must also purchase only from us or our affiliates certain branded items that we offer, including printed materials, cards, tote bags, shirts, books, and other branded “swag” items that you would like to use in your Nowlogy Clinic or that we require. We or our affiliates are also the sole approved supplier of training. We or our affiliates may be the only approved suppliers for these items and services and we do not intend to approve another supplier for these items or services. We intend to earn a profit on any items or services we sell to you, including those described above. However, you may request to opt out of certain shared services and retain your own approved vendor for these services, if you meet our requirements and receive prior written approval from us.

We currently maintain a list of Approved Suppliers and criteria for approving suppliers in our Operations Manual or other instructional materials we may provide to you prior to opening. We may modify this list on written notice to you. You may request in writing our approval of alternative suppliers that are not currently approved by us. With the request, we may require that you submit a sample of the proposed product at your cost. We will grant or revoke approvals of suppliers based on the criteria for approving suppliers in our Operations Manual and based on inspections and performance reviews. We may grant approvals of new suppliers or revoke past approvals of suppliers on written notice to you. We must consent to your use of any supplier you propose and will make reasonable efforts to provide you with written notification of the approval or disapproval of any

supplier you propose within ninety (90) days after written receipt of your request and sample. If we do not respond affirmatively to your request within ninety (90) days after written receipt of your request and sample, your request shall be deemed rejected. For this approval or disapproval, you must reimburse us for our out-of-pocket expenses. We do not evaluate alternative suppliers for any required purchases from us described below. You may not request approval of any alternative suppliers until you have been operating at least one year.

Purchases According to our Specifications.

All products, inventory, supplies, equipment, furniture, accounting services, required software, furnishings and other decor, signs and any items bearing the Marks that are used in the operation of your Franchise must be purchased according to our specifications and meet System Standards. Our list specifications for supplies, products, and other purchases, including brand, model and type are in our Operations Manual or other instructional materials we may provide to you prior to opening. The following are our current specific obligations for purchases and leases:

Location Selection and Lease: You must find a site and execute a lease for the Location that will meet our site selection criteria within 60 days' of signing your Franchise Agreement. You must obtain our consent in writing to the lease for the Location before you enter into such lease. You must deliver a copy of the signed lease to us within five (5) days of your signing. See Item 11 for additional information on Location site selection.

Standard Location Plans and Specifications: The Operations Manual contains Nowlogy design standards that include specific paint colors, flooring, furniture, and fixtures (including some that may need to be custom designed and built), lighting, signage and other design and construction elements. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation. You must hire your own contractor and adopt the standard plans and specifications to your specific Location and adapt the recommended floor plans to the Location. You must receive our approval of the design plans prior to commencing the outfitting. We may inspect the Location during its development. You must receive our approval of the final outfitted and built-out Location prior to commencing operations. Our review and consent is only to ensure your compliance with our specifications and requirements. If required, you must affix a decal or placard to an exterior door or signage containing the following statement "An Independently Owned and Operated Franchise of Nowlogy". If we request, you will display prominently a "franchise opportunity" display to promote awareness of the availability Nowlogy Franchises.

Opening. You must commence operations of your Franchise no more than twelve (12) months after you sign the Franchise Agreement. The typical time between signing the Franchise Agreement and opening your standard Franchise is between eight (8) to twelve (12) months. The typical time between signing the Franchise Agreement and opening your Conversion Franchised Business is between one (1) to six (6) months. Factors that affect the time for opening include: (1) site selection of the Location; (2) lease negotiation and execution; (3) build-out of the Location; (4) local permitting and licensing; (5) securing and availability of contractors; (6) financing; (7) securing all necessary décor, furniture, equipment, inventory, add-ons and supplies; and (8) hiring of personnel and completion of initial training and other pre-opening requirements. If you are not opened within eight (8) months of signing the Franchise Agreement, then we have the right to terminate the Franchise Agreement and you have no right to refund of your Initial Franchise Fee or any other costs, fees or expenses related to the Franchise. If you are making reasonable efforts to satisfy your pre-opening obligations, then we will grant you an extension on a month to month basis in our reasonable discretion. You may not commence operations of your Nowlogy Clinic until: (1) you secure the minimum required insurance; (2) your Operating Partner and Clinic Director complete initial training to our satisfaction and you have signed our Franchisee On-Site Training Agreement, a copy of which is attached as Exhibit I to the Franchise Agreement; (3) all amounts owed to

us have been paid; (4) you have required all required permits, licensed, or third-party consents; and (6) you receive notice from us in writing that you satisfied all pre-opening obligations. You must be prepared to open once we confirm in writing that you met each of these requirements and are permitted to commence opening.

Maintenance and Repairs: You must maintain your Location in a high degree of sanitation, repair, appearance, condition, and security and in the manner required by the Franchise Agreement and the Operations Manual. You must meet and maintain the safety, sanitation, security, and health standards and ratings applicable to the operation of your Location as we reasonably require. You must make additions, alterations, repairs and replacements to all fixtures, décor items, equipment, and other construction elements on an as-needed basis. You must strictly comply with all cleaning and sanitizing standards and specifications for the equipment, décor, furniture, products and all other items as described in the Operations Manual.

You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. We will provide an email account for each employee or contractor working at your Franchised Business. We can independently access your electronic information and data, other than any employment records, and collect and use this electronic information and data in any manner we choose without any compensation to you. There is no contractual limitation on our right to receive or use information we obtain from you. The form of Business Associate Agreement that you must sign is attached to this Disclosure Document as Exhibit J.

Renovation and Upgrading: You must abide by our requirements for alterations, remodeling, upgrading or other improvements to your Franchise and all materials and items used in the Nowlogy Clinics. This includes technological improvements, equipment upgrades as well as décor and trade dress updates and improvements including changes to the décor, furniture, signage, or other branded materials. We have the right to modify the System for any reason, including, without limitation, responding to client expectations (including confidentiality when providing services), increasing efficiency, changes to health industry standards, co-branding with other companies or with other brands or concepts we or our affiliates may develop and adapting to competition. Generally, the standards for alterations, remodeling, upgrading and other improvements will not exceed the requirements applicable to new Franchises.

Insurance: You also must obtain, before beginning any operations under the Franchise Agreement, and must maintain in full force and effect at all times during the term of the Franchise Agreement, at your own expense, the following insurance policies described in the Franchise Agreement and in our Operations Manual protecting you, us, our affiliate, and our respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees:

Commercial General Liability	
Each Occurrence	\$1,000,000
Damage to Rented Premises	Replacement Costs
Personal & Adv. Liability	\$1,000,000
General Aggregate	\$2,000,000
Products/Completed Operations	\$3,000,000
Medical Expense (any one person)	\$10,000
Business Interruption	At least six (6) months operating expenses
Cyber Security/Data Privacy Insurance	\$2,000,000
Medical Malpractice (E&O or Professional)	\$5,000,000

Commercial General Liability	
Property	Replacement Cost
Umbrella	\$2,000,000
Workers Compensation	per state requirements

Commercial Liability. You must maintain a general commercial liability policy providing protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Franchise. You must have third party crime coverage insuring against customer or client claims of theft by you or your personnel.

Medical Malpractice. You must maintain coverage to protect against product liability, including medical malpractice insurance, for any and all damages that could result from injury or death to any person as a result of using any products or services sold at the Franchise. The liability Insurance coverage should include telemedicine, consent to settle endorsement, HIPAA violation defense endorsement, licensing board protection defense endorsement, wage loss/deposition expenses, and reputation coverage) of \$1,000,000 per occurrence and \$5,000,000 aggregate.

Cyber Liability/Data Privacy. You must maintain cyber liability and data privacy insurance coverage of \$2,000,000 policy aggregate (including first and third party coverage and cyber business interruption coverage).

Property. You must maintain a property policy covering the cost to replace your, furniture, décor, equipment, and other property of your Franchise damaged, destroyed or stolen to the extent not covered under the Commercial Automobile policy.

Workers' Compensation. You must maintain workers' compensation insurance as required by law for your employees' medical costs and a portion of their lost wages should they become injured or ill on the job.

The policies must provide protection against any demand or claim relating to personal and bodily injury, death, or property damage, or any liability arising from your operation of the Nowlogy Franchise. All policies must be written by a responsible carrier or carriers whom we determine to be acceptable, must name us as additional insured under an endorsement we approve, must name us and our affiliates, and our respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees as additional insureds, and must provide at least the types and minimum amounts of coverage specified in the Franchise Agreement and the Operations Manual. Each policy must provide us with thirty (30) days' prior notice of any changes to or cancellation of the policies. The types and limits of insurance required may be changed from time to time in the Operations Manual and you must comply with any new insurance requirements. Additionally, we may designate one (1) or more insurance companies as the insurance carrier(s) for all of the Nowlogy locations. If we do so, we may require that you obtain your insurance through the designated carrier(s). We may also designate an insurance agency or broker as an Approved Supplier where you must procure your insurance from the designated agency/broker.

The cost will vary from state to state and we anticipate that you will be required to pay your insurance carrier or agent your premiums on an annual basis, however, this varies by carrier. These policies must be written by responsible insurance carriers rated "A" or better by the A.M. Best Company, Inc. and that are acceptable to us. We may periodically change the amounts of coverage required under the insurance policies and require different or additional kinds of insurance at any time, including excess liability and/or umbrella insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances, if the changes apply to your Franchise.

Each certificate of insurance must include a statement by the insurer that the policy will not be canceled, subject to nonrenewal or materially altered without at least thirty (30) days' written notice to us. All insurance policies, with the exception of workers' compensation insurance, must name us and our affiliates as additional insureds and you must provide us with certificates of insurance, endorsements and declaration pages to each policy evidencing that we are named as an additional insured under any policy we require you to name us an additional insured. On our request, you must promptly provide us with copies of all insurance policies together with proof of payment for insurance. You must send to us current certificates of insurance and copies of all insurance policies and endorsements for the Franchise on an annual basis. The insurance policies must provide for a waiver of subrogation.

Computer Systems: See Item 11 for specifications on computer systems.

Advertising: Any and all advertising, marketing, and promotional materials you wish to use must conform to System Standards. See Item 11 for specifications on advertising. The specifications that we have formulated are in our Operations Manual. We may modify these specifications on reasonable written notice to you. We will consider your written request for a modification of a specification if you explain the reason for the requested modification and provide us with sufficient technical data to enable us to evaluate your request. We must approve any modification of a specification you propose and will make our reasonable efforts to provide you with notification of approval or disapproval within fifteen (15) days after receipt of your request which shall be at our sole discretion. If we do not respond within the 15-day time period, the request is deemed unapproved. We control all advertising, marketing and promotions on Social Media Platforms and all posts, photographs, tweets, pins, ads, videos or other content must be sent to us and we will facilitate the distribution.

Add-On Service Providers. Any service provider, consultant, vendor or supplier you engage for add-on services or otherwise in connection with providing Products and Services to Clients must be licensed, adequately insured and meet our minimum standards for reputation and standing as described in the Operations Manual. We reserve the right to require you obtain our prior written consent before engaging any outside service providers who provide products or services in connection with your operation of your Franchise.

Rebates, Material Benefits, Cooperatives, Revenues from Restricted Purchases.

We may negotiate purchasing terms for franchisees from Approved Suppliers. We cannot guarantee, promise, represent, state, or warrant that any Approved Supplier will offer or continue any particular pricing, warranty or other terms of sale. We may negotiate a continued supply of items from our Approved Suppliers, but cannot guarantee, promise, represent, state or warrant a continuing supply from any particular supplier. We are not under any obligation to you with respect to the terms negotiated or any supplier's terms. The arrangements we negotiate may include that Approved Suppliers pay us a sponsorship fee to help pay for the costs of an annual meeting or conference.

We do not discriminate against you or provide you with material benefits, such as renewal of your Franchise or grant you additional Franchises, based on your use of any particular Approved Supplier. We have no purchasing or distribution cooperatives in existence at this time. We may in the future form a purchasing or distribution cooperative and require you to become a member. Membership in a purchasing or distribution cooperative may require the payment of a fee in addition to other terms and conditions. We do not make any express or implied warranties with respect to any products or goods we recommend or require for your use.

The supplies or services that you are required to purchase according to our specifications or from Approved Suppliers are considered "required purchases." We and our affiliate reserve the right to earn

revenue from Approved Suppliers, such as rebates or commissions, on account of their sales of any goods or services to our franchisees, including required purchases. We estimate that your total initial required purchases and leases will be approximately 90% of the cost of your initial purchases and leases and 60% to 80% or more of annual purchases and leases on an on-going basis for the operation of your Franchise.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site Selection & Acquisition / Lease	FA Sections 4.1 & 4.2	Items 7, 8 & 11
b. Pre-opening Purchases / Leases	FA Sections 4 & 8.3	Items 7, 8 & 11
c. Site Development and other pre-opening requirements	FA Section 4	Items 5, 6, 7 & 11
d. Initial & On-going Training	FA Sections 5.9, 6 & 8.2	Items 6, 7 & 11
e. Opening	FA Section 4.4	Items 8 & 11
f. Fees	FA Section 5	Items 5, 6, 7 & 11
g. Compliance with standards and policies operating manual	FA Sections 4.4, 8, 9.4 & 11	Items 8 & 11
h. Trademarks and proprietary information	FA Sections 1.2, 8, 10, 11.1 & 11.6	Items 13 & 14
i. Restrictions on products / services offered	FA Sections 2.2, 8.3, 11.1, 11.5 & 17.2	Item 8 and 16
j. Warranty and customer service requirements	FA Sections 11.1, 11.6, 11.13 & 12.11	Item 8
k. Territorial development and sales quotas	FA Sections 2.2, 2.3, & 10.5	Item 12
l. Ongoing product / service purchases	FA Sections 4.6, 8.3 & 11.6	Item 6, 7 and 8
m. Maintenance, appearance, and remodeling requirements	FA Sections 4.3, 4.5, 4.6, 11.1 & 11.6	Items 8 & 11
n. Insurance	FA Sections 9.3 & 11.2	Items 1, 6, 7 & 8
o. Advertising	FA Sections 5.5, 5.14 & 12	Items 6, 7 & 11
p. Indemnification	FA Sections 7.4 & 14	Item 6
q. Owner's participation / management / staffing	FA Sections 3, 7.1, 7.2	Items 15
r. Records and reports	FA Sections 5.9, 11.1 & 15	Item 6 and 17

Obligation	Section in Franchise Agreement	Disclosure Document Item
s. Inspections and audits	FA Section 8.2, 11.1, 11.8 & 15	Items 6, 8 & 11
t. Transfer of Interest	FA Section 16	Items 6 & 17
u. Renewal	FA Sections 2.6, 2.7, 2.8&2.9	Items 6 & 17
v. Post-termination obligations	FA Section 17.6	Item 17
w. Non-competition covenants	FA Sections 7.2, 17.5 & 17.6	Item 17
x. Dispute Resolution	FA Section 21	Item 17
y. Jury Waiver provision and Arbitration provision	FA Sections 21.5, 21.12 & 21.14	Item 17

ITEM 10 FINANCING

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

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

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

Franchisor's Pre-Opening Obligations.

Before you open the Franchise, we will assist you with the following:

1. Designating your Territory (Franchise Agreement, Sections 2.1 and 2.3).
2. Providing you with general specifications and guidelines with regard to site selection criteria for your Location. (Franchise Agreement, Section 4.1).
3. Provide you all of the products and services described in our Onboarding Package upon payment of the Onboarding Package Fee (Franchise Agreement, Section 5.2).
4. Provide you with access to our EHR System unless and until we discontinue, modify or change it. (Franchise Agreement, Section 5.11).
5. Upon your request and subject to personnel availability and our discretion, we may provide you with on-site selection assistance, but you must pay our travel costs and expenses. (Franchise Agreement, Section 4.1).
6. Consenting to your Location and lease and providing you with a copy of any Collateral Assignment of Lease attached to the Franchise Agreement as Exhibit G. (Franchise Agreement, Section 4.2).
7. Providing you sample designs and specifications for the layout of your Location, build-out, and other fixtures and equipment to be installed in connection with

constructing and outfitting your Location, which you will need to adapt to your Location (Franchise Agreement, Section 4.3).

8. Consenting to your design of the Location prior to construction (Franchise Agreement, Section 4.3(a)).

9. During Initial Training, granting you electronic (or other access) to our Operations Manual, which contain the information, methods, techniques, and specifications for the operation of your Franchise (Franchise Agreement, Section 8.1).

10. Providing you with a list of approved items of products, equipment, decor, fixtures, inventory, and supplies (by brand name and/or by standards and specifications) not included in the lists of Approved Suppliers for certain items and services. (Franchise Agreement, Section 8.3).

11. Providing you with an email address and placing your location information on our Website. (Franchise Agreement, Section 8.2(h)).

12. Providing the Initial Training program for your Operating Partner and Clinic Director. (Franchise Agreement, Section 5.6).

13. Approving or disapproving any initial advertising or marketing materials, business forms, stationery, business cards or other forms you intend to utilize in connection with your grand opening or otherwise. (Franchise Agreement, Section 12.1).

14. Provide you with the Contracting and Credentialing Services described in Item 5.

It is estimated that it will take approximately eight (8) to twelve (12) months following your signing of the Franchise Agreement to commence operation of your standard Nowlogy Clinic business and if a Conversion Franchised Business, it will take approximately between one (1) to six (6) months. However, the operation commencement date may occur earlier depending on the actual time required for you to accomplish items including, but not limited to: securing the Location, retaining a general contractor, obtaining financing, construction, remodeling or renovation, installing signs, fixtures, and equipment, leasing or purchasing the required equipment, and hiring and training personnel.

We do not provide you with any assistance with respect to hiring or training your personnel.

Franchisor's Post-Opening Obligations.

During the operation of the Franchise, we will:

1. Provide such continuing advisory assistance to you in the advertising and promotion of your Franchise as we deem necessary and appropriate in our discretion. (Franchise Agreement, Section 8.2(d)).

2. Provide you with any updates to the Operations Manuals and any other instruction, operations criteria or manuals prepared by us for use by our franchisees in operating their Franchises. (Franchise Agreement, Section 8.2(c)).

3. From time to time and in our sole discretion, provide you with access to additional or continuing courses of training at times and locations designated by us. (Franchise Agreement, Section 8.2(b)).

4. Provide or sell to you marketing materials, including printed materials, cards, tote bags, and other branded items, which you may use or customize for use in your Franchised Business (subject to our approval) (Franchise Agreement, Section 12.1)

5. From time to time and in our sole discretion, maintain updated lists and provide updated lists to you of approved items of equipment, furniture, inventory, and supplies and updated list of Approved Suppliers for those items. (Franchise Agreement, Section 8.2(k)).

6. From time to time and in our sole discretion, provide other resources and assistance as we may in the future develop and offer to all franchisees. (Franchise Agreement, Section 8.2).

7. Maintain the Brand Fund in accordance with the Franchise Agreement. (Franchise Agreement, Sections 5.8 & 12).

8. Design, update and host the Website and oversee all Social Media Platforms and Social Media Materials. (Franchise Agreement, Section 8.2(h)).

9. From time to time and in our sole discretion, invite you to franchisee-oriented functions, seminars and annual meetings and conferences that we hold. (Franchise Agreement, Section 6.4).

10. Periodically and in our sole discretion, specify minimum policy limits for certain types of insurance coverage and review, verify and/or approve proof of insurance and forms of additional insured endorsements. (Franchise Agreement, Section 11.2).

11. Provide you with access to our EHR System, an electric health records system with electric billing support and any other software. (Franchise Agreement, Section 8.2(m)).

12. From time to time and in our sole discretion, conduct Client survey and evaluation programs. (Franchise Agreement, Section 15.1).

Our individualized assistance to any franchisee (whether in person or by telephone, fax, electronic communication, or mail), is subject at all times to availability of our personnel. All of our obligations under the Franchise Agreement are to you only.

We do not provide assistance with respect to hiring or training your personnel.

Location Selection.

Within thirty days of your signing your Franchise Agreement, you must submit to us a proposal for the location of your Location meeting the site criteria we provide to you. We have fifteen (15) days from the submission of your site proposal to accept or reject the Location. The criteria used by us in reviewing your site includes: whether the Location is centrally located within your Territory, ingress and egress of your vehicles and personnel, whether the Location is at least 1,250 square feet with the ability to install the initial cost of remodeling and on-going occupancy overhead expenses. Your Location must have good

street visibility and should benefit from the exposure of the location. If the Location is in a strip center, the anchor store must be considered “upscale” as should the rest of the tenants in the surrounding spaces. Other factors may also be considered in evaluating your proposed location. Within sixty (60) days of your signing your Franchise Agreement, you must execute a lease for the Location. We assume all franchisees will lease real estate for the Location. We will assist you in the site selection process of your Location.

We do not assist you in negotiating your lease or purchase agreement or approve your lease or purchase agreement for the Location but you and your landlord must sign a Collateral Assignment of Lease in the form attached to the Franchise Agreement as Exhibit G. You must deliver a copy of the signed lease with Collateral Assignment of Lease to us within five (5) days of its execution. We do not typically own the premises for the Locations which we would then lease to you, but we reserve the right to do so in the future.

If you do not sign a lease for the Location within sixty (60) days of signing the Franchise Agreement, then we have the right to terminate the Franchise Agreement. If you do not open your Franchise twelve (12) months immediately following the signing of the Franchise Agreement, then we have the right to terminate the Franchise Agreement.

Advertising.

Except for our obligations related to the maintenance and expenditure of monies in the Brand Fund, we are not required or obligated to conduct any advertising. We have the right to modify the source of advertising at any time. We and our affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System. We are not required to spend any amount for advertising in your Territory. (Franchise Agreement, Section 5.5).

We have the right to direct all advertising and promotional programs and activities, and the right to control and approve all the concepts, materials and media used in such programs and activities. Materials that may be provided to all franchisees in the future may include posters, banners, and miscellaneous point-of-sale items. In addition to the initial marketing plan, we may periodically provide you, at your expense, with consumer marketing plans and related materials for use at the local, regional, or national level. We may periodically furnish you with samples of advertising, marketing and promotional formats and materials templates which you will then have the right to copy at your expense. (Franchise Agreement, Section 12.1).

Grand Opening Advertising.

You are required to spend at least \$1,000 from the period beginning no earlier than thirty (30) days prior to the opening of the Franchise and ending no later than sixty (60) days after opening for advertising to promote the opening of the Franchise. Prior to spending any amounts on grand opening advertising, you must submit an initial marketing plan outlining your grand opening advertising proposed spending which shall be subject to our approval in writing. Grand opening advertising expenditures may include off-site events (with our consent), digital advertising, print advertising, grand opening events, and product giveaways, which we pre-approve in writing. Franchise Agreement, Section 12.3).

Local Advertising.

You must spend at least \$125 per each Qualified Clinician and Qualified Prescriber in the prior calendar month on approved local marketing activities (Franchise Agreement – Section 12.2)(in addition to the grand opening expenditures), commencing in the second month after opening of your Franchise (the “Local Advertising Requirement”). We may increase or decrease the minimum for Local Advertising

Requirement in our sole discretion. We will provide you sixty (60) days' advance written notice before increasing the Local Advertising Requirement. (Franchise Agreement, Section 12.2).

You may develop advertising materials for your own use at your own expense, but you may not use any advertising materials unless they are approved in advance in writing by us. (Franchise Agreement, Section 12.1). All advertising, promotion and marketing must be completely clear, factual, and not misleading, conform to the highest standards of ethical marketing, and comply with the promotional policies we establish. Samples of all advertising, promotional and marketing materials that we have not prepared or previously approved within the last three (3) months must be submitted for approval before you may use them. If you do not receive written approval from us within fifteen (15) days after we receive the materials, the materials are deemed not approved. You may not use any advertising or promotional materials that we have not approved or we disapproved. We only approve your marketing and advertising materials to confirm they comply with our brand standards. You are solely responsible for confirming your advertising and promotional materials comply with state law and health care regulations or statutes. (Franchise Agreement Section, Section 12.1).

You must promptly discontinue use of any advertising, marketing or promotional plans or materials, whether or not previously approved, on notice from us. We may require you to place advertising in specific media, such as print, social media, and direct mail, and determine what percentages of your advertising spend should be allocated to each medium. All use of any of the Marks must meet all System Standards. (Franchise Agreement, Section 10.1).

We reserve the right to require you to include certain language in your local advertising materials, such as "Franchises Available" and the addresses of our Website and phone number.

Currently, all use of Social Media Platforms (defined as web-based platforms such as Facebook, Twitter, LinkedIn, TikTok, Pinterest, Instagram, Snapchat, Yelp, YouTube, Google+, blogs and other networking and sharing sites) or use of Social Media Materials (defined as any material on any Social Media Platform that makes use of our IP, Marks, name, brand, products or your franchise whether created by us, you or a third-party) is centralized through us and we require all marketing, advertising and promotion through Social Media Platforms be facilitated solely through us. You may not use a Social Media Platform or Social Media Materials without our prior written approval. If we cease to control all use of Social Media Platforms and Social Media Materials at any time in the future, then such platform or materials must comply with the restrictions and requirements described below in this Item 11 under "Websites", our Operations Manual and any social media policies or other guidelines we institute for franchisees. You must sign the Internet Websites, Digital, Social Media and Listing Agreement attached to the Franchise Agreement as Exhibit E assigning us all rights to any website or other web-based platforms utilizing the Marks on termination or expiration of the Franchise Agreement.

Advertising Cooperatives.

We have not formed and presently do not require any participation in advertising councils or regional advertising cooperatives, but we may form and/or require one (1) or more to be formed in the future ("Cooperative"). We have the right to designate any geographical area in which two (2) or more Nowlogy Clinic businesses (whether franchised or owned by us or our affiliate) are located as a region for purposes of establishing a Cooperative, or we may consent to the formation of an advertising Cooperative by our franchisees. If a Cooperative is established which encompasses your Territory, you will automatically and immediately become a member of the Cooperative and you must agree to contribute to the Cooperative the amount agreed upon by a majority of the members of the Cooperative, to pay that amount to the Cooperative at the times agreed upon by a majority of the members, and to abide by the Cooperative's rules. The payments you make to a Cooperative may be applied by you toward satisfaction

of your Local Advertising Requirement, but if the amount you contribute to a Cooperative is less than the Local Advertising Requirement, you must still spend the difference locally. Each company or affiliate-owned Nowlogy Clinic business located within the geographic area covering the Cooperative, if any, is not required to contribute to the Cooperative on the same basis as you.

Each Cooperative will be organized for the exclusive purposes of administering advertising programs and developing promotional materials for use by the members in local advertising; however, no advertising or promotional plans or materials may be used by the Cooperative or furnished to its members without first obtaining our approval. We may direct the marketing efforts of the Cooperative and/or engage an outside marketing firm which we may require the Cooperative to retain. We may permit, in our sole discretion, members of Cooperatives to determine the use of Cooperative funds. We may prepare governing documents, policies and guidelines for any Cooperative that is formed. If we do, you must comply with the documents for the Cooperative, which will be available for your review. Any deviation from such governing documents, policies and guidelines requires our prior written approval. A violation of any Cooperative agreement will be a default under the Franchise Agreement. We are not required to prepare annual or periodic financial statements for the Cooperative. If we do prepare financial statements for the Cooperative they will be available for your review. We will have the power to require cooperatives to be formed, changed, dissolved, or merged. (Franchise Agreement, Section 12.8).

Brand Fund

We require you to pay a monthly Brand Fund Contribution to the Nowlogy system-wide brand fund (the “**Brand Fund**”) in the amount not to exceed \$100 per each Qualified Clinician and Qualified Prescriber in the prior calendar month, due and payable on the 10th day of each month for the prior month. All our franchisees must contribute to the Brand Fund, but the Nowlogy Clinics we or our affiliates own are not required to contribute to the Brand Fund.

We or our designee will direct all advertising and promotional programs and activities and the concept, materials and media used in such programs and activities. The Brand Fund is intended to maximize general public recognition and acceptance of the Marks and the System. We cannot ensure, and have no obligation to ensure, that expenditures by the Brand Fund in or affecting any geographic area will be proportionate or equivalent to the contributions to the Brand Fund by franchisees operating in that geographic area or that any Franchise will benefit directly or in proportion to its contribution to the Brand Fund from the development of advertising and marketing materials or the placement of advertising. We have no other direct or indirect liability or obligation to you regarding the collection of amounts due to, or maintaining, directing, or administering, the Brand Fund. (Franchise Agreement, Section 5.8).

We determine, in our discretion, the manner in which the Brand Fund is spent. The Brand Fund will be used to meet any and all costs of maintaining, administering, directing and preparing advertising and promotional activities (including without limitation, the cost of preparing and conducting television, radio, magazine, social media and internet and newspaper advertising campaigns; direct mail and outdoor billboard advertising; Internet advertising including via the Website or Social Media Platforms; marketing surveys and other public relations activities; advertising agencies; and promotional brochures and other marketing materials, including Social Media Materials for Franchises operated under the System). We have the right to reimburse ourselves out of the Brand Fund for the total costs (including labor and indirect costs) of developing, producing and distributing any advertising materials and administering the Brand Fund Contribution (including attorneys’, auditors’ and accountants’ fees and other expenses incurred in connection with collecting any Brand Fund Contribution). (Franchise Agreement, Section 12.6). We are not required to audit the Brand Fund. (Franchise Agreement, Section 12.6). We are not required to keep Brand Fund Contribution segregated in a separate account and the Brand Fund Contributions may be commingled with general operating funds, however, we will account for it separately.

Any unspent accrued Brand Fund Contribution for any calendar year will be used in the subsequent calendar years. We are not required to provide franchisees with periodic accounting of the Brand Fund, including the fees paid into the by franchisees, but if we do prepare an accounting of the Brand Fund we will make it available to you upon your written request that must be submitted to us. If we advance any amount to the Brand Fund, we will be entitled to be reimbursed for any such advances. Although the Brand Fund is intended to be perpetual, we may terminate the Brand Fund at any time, and we have no obligation to maintain the Brand Fund in perpetuity. If the Brand Fund is terminated, all unspent monies on the date of termination will be distributed to franchisees in proportion to their respective contributions to the Brand Fund during the preceding twelve (12) month period. (Franchise Agreement, Sections 12.4).

We will not use any monies from the Brand Fund for the preparation of franchise sales solicitation materials although we reserve the right to include “*Franchises Available*” or similar language with our contact information on any advertising purchased or created by the Brand Fund. (Franchise Agreement, Section 12.5).

In 2023, our Brand Fund was not in existence, so it did not collect or spend any monies.

Computers and EHR System.

To promote uniformity and quality in your operations and the services you render, we require you to use certain designated computer components. We require you to buy (or lease) and use an electronic health record software (“EHR System”) and computer system that have been approved by us and which meet our specifications.

The current required computer system contains the following components: at least one desktop or laptop computer with encryption, Microsoft Office Operating Systems, and high-speed internet capabilities to enable to you to use the software programs we require and operate the administrative operations of your Franchise; a printer; our then current required brand of EHR System, and our required client relationship management software, accounting software capable of generating sufficient accounting reports and information that we require from time to time.

The initial estimated cost for the Computer System (hardware, software, set-up costs, initial fees, activation costs and an annual subscription for the EHR System software) is currently \$3,000. We may change to another EHR System or software. The hardware costs, subscription costs and maintenance costs for the EHR System, Computer System and associated required Software are as of this Disclosure Document and may increase in the future.

All of our specifications may be modified by us from time to time. You must purchase all necessary hardware and software components from our approved vendor or vendors designated by our approved vendor. In addition to the hardware described above, these components may include, among others, operating software, modem, back-up system, monitors/TV screens security cameras.

The Franchise Agreement permits us to receive, via downloading, information from your Computer System. The Computer System allows us to have independent access to and freely retrieve the information and data generated and stored in your Computer System, including, but not limited to, daily sales, and other data. This access will also permit electronic communication of information concerning the System and the Franchise, including access to any intranet site. There is no contractual limitation on our right to access this information. We may also require that you comply with other best practices for the protection of the brand’s proprietary information and the confidential information of our clients. This may include specific requirements around the offering of WiFi or other network access to the clients.

Computer systems are vulnerable in varying degrees to computer viruses, bugs, power disruptions, communication line disruptions, Internet access failures, Internet content failures, data related problems and attacks by hackers and other unauthorized intruders (“E-Problems”). We do not guarantee that information or communication systems we or others supply will not be vulnerable to E-Problems. It is your responsibility to protect yourself from E-Problems. You should also take reasonable steps to verify your suppliers, lenders, landlords, clients, and governmental agencies on which you rely, have reasonable protection from E-Problems. This may include trying to secure your Computer Systems (including firewalls, password protection, and anti-virus systems), and to provide backup systems.

There is no contractual limitation on the frequency and cost of maintaining the Computer System or our right to change the requirements or vendors. You are required to install and subscribe to DSL or high-speed cable internet service from your local provider for data transfer. You must also maintain a separate office phone system and answering service specific to your Franchise. We have no contractual or other obligation to assist you with maintenance, repairs, updates, or upgrades to the Computer System, and all maintenance, repairs, updates, or upgrades are your responsibility.

You must maintain, upgrade and update your Computer System when we determine at your own expense. There is no contractual limit on the frequency or cost of this obligation. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$200 per user, per year.

In the future we may require different systems or permit the use of different systems or require additional components depending on the volume of clients or other applicable factors. We reserve the right to discontinue any service or support we may offer for any system at any time for any reason or change any required vendors for the products or services at any time for any reason. You must replace, upgrade, and maintain these systems at your sole expense. (Franchise Agreement, Section 11.6).

Websites.

You will not have any right to host the Website, however, you will be provided a listing designated for your Franchise that you must prepare in accordance with our System Standards. All content is subject to our prior written approval. The Website will contain information on the items offered by Nowlogy businesses. The Website may also contain information on the awards and achievements of us, our franchisees, and our affiliates. The Website and its content are updated based upon our judgment of what is appropriate, and all changes, deletions and additions are at our sole discretion. We may restrict, limit, control or designate nearly every aspect of your use of websites, the Internet, intranets, worldwide web home pages or e-mail, and require you to participate in a centralized website. Neither you, nor any of your Owners or employees, are permitted to use an e-mail address that is not associated with our URL for your Franchise. (Franchise Agreement, Section 9.2). You may not establish any website, blog, Facebook page, Twitter account, Yelp page, YouTube account, email distribution list, Instagram account, Snapchat account, or other Social Media Platform, World Wide Web or Internet-based presence which uses or displays any of our IP (whether Social Media Materials or otherwise) without our prior written consent, and, at our sole option, you will take such action necessary to cause certain websites or other Social Media Platforms, including, but not limited to, Facebook, Twitter, Yelp, YouTube, Tumblr, Instagram account, Snapchat account, and other such mediums, currently in existence or developed in the future, to assign primary administrative rights to us for your Franchise. We will then, in our sole discretion, provide you with subordinate administrative access to, and guidelines for your use of, such mediums, so that you may promote your business locally. We also have the right to request that you turn over all passwords to any Social Media Platforms or similar internet-based mediums immediately upon creation and provide us administrative access to all accounts. (Franchise Agreement, Section 9.2).

Advisory Council.

We reserve the right to form an advisory council to assist us with various components of our System, including products and design elements offered by the Franchises, marketing and promotion, training, and other aspects of the System. If we create an advisory council, it will act in an advisory capacity only and will not have decision-making authority. We will have the right to form, change, merge and dissolve any advisory council at any time. (Franchise Agreement, Section 12.10).

If we create an advisory council, all franchisees will be required to participate in council-related activities and meetings and pay any dues assessed for the administration of the advisory council program. We have the right to set advisory council dues in our discretion. In addition to dues, if we create an advisory council, you will pay all costs and expenses you incur related to your participation, including travel, lodging and meals expenses for attending council meetings. (Franchise Agreement, Section 12.10).

Product Price Guarantee, Gift Card, Loyalty Programs, Surveys and Marketing Tests.

You must participate in, and comply with the requirements of any gift card, gift certificate, client loyalty or retention, or special promotional program that we implement for all or part of the System and sign the forms and take the other action we require for you to participate in these programs. You are obligated to offer all clients participation in our loyalty program and register all participants as described in the Operations Manual. (Franchise Agreement, Section 12.11).

You may be asked to participate in marketing tests and surveys. In the event that you are approved to participate, you may be required to enter into an agreement that outlines all the requirements for marketing tests and surveys. All test and survey requirements, processes and procedures must be adhered to and any applicable costs will be our responsibility. You must provide complete data statistics on the tests or surveys for our review and evaluation. (Franchise Agreement, Section 11.8).

Credit Cards and Payment Options.

To process credit cards through the point-of-sale System, you must be certified PCI compliant. To be certified compliant, you must submit a Passing PCI Vulnerability Assessment Scan report along with a copy of the Self-Assessment Questionnaire before opening and once each following year. It is your responsibility to maintain and report your PCI compliance as well as attesting that you are abiding by (i) the PCI DSS enacted by the applicable Card Associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published from time to time by payment card companies and/or enacted by law, and are applicable to client credit card and debit card information. If you know or suspect a security breach, you must immediately notify both your credit card transaction acquirer and us. You assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing fees for monitoring client credit card histories and/or transactions for affected clients of your Franchise. If we determine, in our sole discretion, that any breach or compromise may impact multiple franchisees or our System or brand, then we have the right to control the data breach response. You remain financially responsible for the breach.

We reserve the right to terminate your Franchise Agreement and/or suspend credit card processing at any Location which does not comply with the current PCI compliance requirements. We recommend consulting a local information technology professional with a full understanding of the PCI DSS and Networking configuration to advise you on specific setup and maintenance requirements. (Franchise Agreement, Section 9.4).

Operations Manuals.

For the duration of the Franchise Agreement, we will grant you electronic access to the Operations Manual or make it available to you by paper, Internet, or electronic format. The Operations Manual contain mandatory and suggested specifications, standards, and operating procedures. The Operations Manual is highly confidential, are on loan to you and remain our property. We may revise the Operations Manual from time to time by posting the revisions electronically or by letter, memorandum, bulletin, videotape, audiotape, diskette, CD ROM, electronic mail or by other written or electronic communication, including the Internet. You must abide by all revisions. The total number of pages of our Operations Manual and Table of Contents are listed on Exhibit E and is currently 81 pages, not including the appendices. You are prohibited from copying or distributing the Operations Manual in any manner whatsoever. You must only use the information contained in the Operations Manual to manage and operate the Franchise and may not use such information for any other purpose. (Franchise Agreement, Sections 8.1 & 8.2).

Training Program.

Initial Training

Our Initial Training is available to all of your Owners and Directors (the “Initial Training”) and is mandatory for your Operating Partner and Clinic Director. We will train up to two (2) representatives as part of the Initial Franchise Fee. You will be responsible for all expenses, including costs and expenses of transportation, lodging, meals, and wages and employee benefits for your trainees. All trainees must be at least eighteen (18) years of age and actively involved in the operation of the Franchise. (Franchise Agreement, Section 5.9). Subject to space and personnel availability in our discretion, you may send additional representatives to Initial Training at a cost of \$1,500 per trainee.

Pre-opening training will be held in Hastings, Minnesota Training is held over a one (1) week period and covers operations, marketing, staffing, and overall Franchise management. Trainees should plan between 6 to 10 hours of active participation each day. We typically schedule training as needed, but on average twice per year.

The initial training program will be overseen by Dr. Amelia Paquin, her experience is outlined in Item 2 of this document. Primary course material is the Operations Manual in addition to hands-on and visual instruction.

All trainees are expected to be active in their participation in all areas of the operation and management based on their role at the Franchise. The Initial Franchise Training Program includes topics listed the below chart.

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Compliance	1	0	Hastings, MN
Operations	1	0	Hastings, MN
Technology	1	0	Hastings, MN
Overview and Brand Standards	2	0	Hastings, MN
Contracting/Credentialing	1	0	Hastings, MN
Billing	2	0	Hastings, MN
Client Customer Service	2	0	Hastings, MN
Marketing and Outreach	2	0	Hastings, MN
Electronic Health Records	4	0	Hastings, MN

Subject	Hours Of Classroom Training	Hours Of On-The-Job Training	Location
Serving as a Clinic Director	6	0	Hastings, MN
Leadership	5	0	Hastings, MN
Recruiting	1	0	Hastings, MN
TOTAL HOURS	28	0	
TOTAL	28 hours		

You must complete the Initial Training to our satisfaction at least three (3) and no more than five (5) weeks prior to the opening of the Franchise. The failure of your Operating Partner or Clinic Director to complete the Initial Training to our satisfaction will give us the right to terminate your Franchise Agreement. (Franchise Agreement, Section 6.1).

Any replacement Operating Partner and Clinic Director must be approved by us and must successfully complete Initial Training, for which you must pay us our then-current fee, which is currently \$1,500 per person for the first day and \$1,000 per person for each additional day. In addition, you are responsible for any travel and other expenses or costs. (Franchise Agreement, Section 6.3(b)).

We reserve the right to amend, modify, supplement, vary and/or delete any portion of the contents of the Initial Training.

Continuing, Supplemental & Refresher Training

We may offer continuing, refresher, or additional training courses from time to time. If we do, these courses will be mandatory for your Operating Partner and Clinic Director. These courses will be conducted at locations selected by us or virtually via Teams, Zoom, WebEx, Skype, or other conference calls. We will charge up to \$200 per hour, per trainer if we require your Operating Partner and Clinic Director (or your Owners or any other staff) to attend mandatory continuing or refresher training courses. In addition, you must pay all expenses, travel costs, lodging costs and meal costs for your trainees for any continuing or refresher training courses held in person. We reserve the right to impose reasonable charges for training materials in connection with continuing, supplemental or refresher training courses. We will notify you of any additional charges before you or your employees enroll in a course. (Franchise Agreement, Section 6.3).

Remedial Training, Additional Training Requested by Franchisee

You will be responsible for all of our expenses and costs including transportation and meals of our personnel if we determine, in our sole discretion, that we need to provide additional or remedial training to your Owners, your Operating Partner, Clinic Director (1) because we determine it is necessary or appropriate, in our sole discretion, to protect the quality, integrity and/or reputation of the System, Marks and/or IP, including, without limitation, because you are in default of the Franchise Agreement or otherwise in violation of our System Standards; (2) due to your request for additional training; or (3) upon renewal of the Franchise Agreement. You will also pay us our then-current fee, which is currently \$1,500 per person, per day. (Franchise Agreement, Section 6.3(d)). Failure to attend any required remedial training is a default under the Franchise Agreement. (Franchise Agreement, Section 6.3(c)).

Conventions & Conferences

We may also conduct seminars or hold meetings or conferences from time-to-time for the benefit of all franchisees. We may charge a registration fee for each of your attendees. The current registration fee is \$500 per attendee, but we reserve the right to change the fee at any time. The fee will not exceed our cost, per attendee, in holding the event. You must also pay for all of your associated expenses, including the expense of salaries, travel, meals, lodging, and miscellaneous expenses of your personnel attending such seminars, meetings, or conferences. If you do not attend an annual conference, you will be responsible for making up any training offered at such conference at a time and location in our sole discretion and at your sole expense. Your failure to attend mandatory seminars, meetings, conventions, or conferences will be treated as a default under the Franchise Agreement. (Franchise Agreement, Section 6.4).

ITEM 12 TERRITORY

Location and Territory.

Your Franchise Agreement will grant you the right to open a Franchise within a designated geographic area (the “Territory”), which is the area within which you will solicit and service customers/clients and we agree not to locate another franchised or company/affiliate-owned Nowlogy Clinic. Your Territory will be identified on Schedule I to the Franchise Agreement. You are not granted any other rights.

We and/or our affiliates reserve the right to sell another Franchise or open a business anywhere outside of your Territory, regardless of proximity to your Location, and authorize these other franchisees and businesses to provide the same Services and Products that you provide outside your Territory.

Generally, each Territory will be comprised of a radius around the franchised location that is approximately 15 miles, provided the location is in a rural or suburban area. If the Franchise is located in an urban area, such as a city, major metropolitan downtown area or similarly situated/populated central business district, then the protected territory may be limited to a five (5) block radius around the Location. The actual size and shape of the Territory will be determined based on several factors including, without limitation, population density, drive time, age demographics, income level and the number of households and businesses in the area, by proximity to other franchise territories, and by natural boundaries such as rivers, lakes, mountain ranges, etc.

All Nowlogy Clinic products, add-ons, merchandise, goods, and inventory must only be sold to Clients serviced by the Franchise. You have no right to offer, sell, or market Nowlogy Clinic products, merchandise, goods, or other items bearing our Marks or incorporating our IP unless it is in connection with the servicing of Clients at the Franchise.

We do not restrict the clients you may serve and you may solicit clients outside your Territory, if you are licensed to provide the applicable Services and products to these clients and you obtain our prior approval for all Services you offer through your Nowlogy Clinic. Although you can solicit clients outside of your Territory, you do not have the right to use other channels of distribution, such as the Internet, catalog, telemarketing, or other direct marketing, to make sales outside your Territory, unless we approve otherwise.

Performance Standards.

Continuation of your Territory does not depend on the achievement of a certain sales volume, market penetration or other contingency, but we may modify your Territory upon renewal of your franchise agreement due to shifts in population. We can also modify your Territory or remove the rights to the Territory if you do not meet System Standards.

Right of First Refusal.

The Franchise Agreement does not grant you the right to acquire additional Franchises within or outside of your Territory.

Reservation of Rights.

We and our affiliate reserve all rights not expressly granted to you in the Franchise Agreement, and which you have no right to conduct, including, without limitation:

1. The exclusive right to own and operate Nowlogy Clinics at any location(s) outside of your Territory under the Marks or using the IP, or to license others the right to own and operate a Nowlogy Clinics at any location(s) outside of your Territory under the Marks and System or using the IP. The Franchise Agreement does not provide you with competitive protection, at all, outside the boundary of the Territory.

2. The right to operate, and to grant others the right to operate Nowlogy Clinics located anywhere outside your Territory under any terms and conditions we deem appropriate and regardless of proximity to your Franchised Business.

3. The right to acquire the assets or ownership interests of one or more businesses providing services similar to those provided by Nowlogy Clinic, and franchising, licensing, or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in your Territory).

4. The right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a business providing services similar to those provided by Nowlogy Clinics, even if such clinics operates, franchises and/or licenses competitive businesses in your Territory.

5. The right to use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in the Franchise Agreement.

There are no restrictions on our right to solicit or accept business from consumers inside the Territory without paying any compensation to you.

We make no guarantees, promises, representations, statements, or warranties that other franchisees will not advertise or market to clients within your Territory. We, in our sole discretion, may enforce the advertising and marketing restrictions indicated in this Item, but we are under no obligation to do so. Under no circumstances will we be liable to you if other franchisees market or advertise to clients within your Territory. Other franchisees may advertise and market within your Territory if the advertising or marketing is not specific to your Territory (for example, advertising in a newspaper with general circulation). Neither we nor our affiliates have a plan to operate a franchise under a different trademark that offers services and products similar to the products, but we reserve the right to do so in the future.

Relocation.

You may only operate out of one Location centrally located within the Territory. You may relocate the Location, inside the Territory, only with our written approval. We may consent to the re-location based on your Franchise’s existing financial performance, the quality of the proposed availability of a site for relocation and other criteria used to consent to a location, however, we do not have to accommodate any relocation. You must reimburse us for our costs and expenses included in connection with any relocation request. Aside from cases of force majeure, the new location must be secured and built-out and operating prior to the closure of your current Location.

**ITEM 13
TRADEMARKS**

The Franchise Agreement grants you the right to operate a Franchise under the “Nowlogy” mark (“Trademark”) and to use any future Marks we authorize so long as you are in compliance with the terms of the Franchise Agreement. We have the right to license the use, license and sublicense the Mark listed below.

Our affiliate, PEI, has applied for registration of the Trademark, which we will license to you, with the United States Patent and Trademark Office (“USPTO”) and PEI’s application is currently pending as set forth below:

MARK	REGISTER	APPLICATION DATE	U.S. TRADEMARK APPLICATION NUMBER
NOWLOGY	Principal	August 19, 2024	98705596

We do not have a federal registration for our principal trademark. Therefore, our Trademark does not have many legal benefits and rights as federally registered trademark. If our right to use the Trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are presently no effective determinations of the USPTO, any trademark trial and appeal board, any state trademark administrator or any court, any pending interference, opposition or cancellation proceeding involving any of the above-referenced Trademark. There are no agreements currently in effect which significantly limit our rights to use or sub-license the use of the Trademark in a manner material to your Franchise. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, cancellation or opposition proceedings or material litigation, involving the Trademark. All required affidavits have been filed.

We will sub-license to you the right to use the Trademark to operate your Franchise upon the approval of the Trademark application and subject to the terms of your Franchise Agreement.

Under a license agreement between us and PEI (the “License Agreement”) PEI has licensed to us the non-exclusive right to use, and sublicense the use of, the Marks, Intellectual Property and System in connection with the offer, sale and operation of Nowlogy businesses. The License Agreement is for a term of 99 years unless PEI or we terminate the license. However, termination of the license agreement will not affect existing franchise agreements. No other agreement limits our right to use or license the Marks.

With the except of the License Agreement, there are no agreements currently in effect which significantly limit our rights to use or sub-license the use of the Marks in a manner material to your Franchise. There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor are there any pending infringement, cancellation or opposition proceedings or material litigation, involving the Marks. All required affidavits have been filed.

Use of the Marks.

We grant to you the right to operate a Franchise under the name “Nowlogy” and to use the Marks so long as you are in compliance with the terms of the Franchise Agreement. You have no other rights in our Marks. You must use our Marks in the manner we direct. You cannot use our Marks for any other purpose.

You must follow our rules when you use the Marks. You may not use the mark “Nowlogy” or any other Marks or IP in your own corporate or other legal name. We must consent to your corporate name and all fictitious names under which you propose to do business in writing before use. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “Nowlogy” or “Nowlogy of _____” (insert specific location name). You must promptly register at the office as provided for by the laws of the state in which your Franchise is located and/or if required at the office of the county in which your Franchise is located, as doing business under such assumed business name.

We or our affiliates are the lawful and sole owner of the domain name www.nowlogy.com. You cannot register any of the Marks now or in the future owned by us or our affiliates or any abbreviation, acronym or variation of the Marks, or any other name that could be deemed confusingly similar, as Internet domain names. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue use of a website, including the Website, using the Marks. Except as we may authorize in writing in advance, you cannot: (i) link or frame our Website, (ii) conduct any business or offer to sell or advertise any Products on the worldwide web, or (iii) create or register any Internet domain name in connection with your Franchise.

You may use only the Marks which we designate and may use them only in the manner we authorize and permit. Any goodwill associated with the Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit remains our property. You may use the Marks only for the operation of the Nowlogy Franchise or in advertising for the Franchise. You must use all Marks without prefix or suffix and in conjunction with the symbols “SM,” “S,” “®,” or “TM” as instructed by us. You may not use the Marks in connection with the offer or sale of any services or Products which we have not authorized for use in connection with the System.

Infringements.

You will be obligated to notify us of any unauthorized use, suspected use or claim to use our Marks, the use, suspected use or claims of rights to our Marks by third parties or the use or suspected use by any third party of confusingly similar Marks. You do not have the right to take any action to enforce or defend any rights associated with the Marks. Upon such notification, we have the right to decide whether or not to take affirmative action. We reserve the right, but are not required, to protect your right to use the Marks. We have the right to control any administrative proceedings or litigation arising from any affirmative action that we may choose to commence. In the event that we engage in any litigation in the defense or prosecution of the Marks, we will bear all costs and expenses incident to such litigation, unless the litigation involves your violation of the Franchise Agreement’s provisions relating to the Marks. You agree to execute any

and all documents and do such acts and things as may be necessary or desirable, in the sole opinion of our legal counsel, to carry out such defense or prosecution. If requested, you must participate in the litigation matter involving the defense of our Marks. You are not entitled to any compensation as a result of the discontinuation or modification of any of the Marks as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the Marks, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

You must also agree not to contest our interest in our Marks and other trade secrets.

You acknowledge that our Marks are valid and are our sole property. You cannot, either during or after the term of the Franchise Agreement, do anything, or aid or assist any person to do anything, which would infringe upon, harm, or contest our rights in any of our Marks. You further must agree not to hinder or prevent us from using or franchising our Marks in any jurisdiction.

Changes to the Marks.

If we determine that it becomes advisable for us and/or you to modify or discontinue the use of any Marks and/or use one (1) or more additional or substitute trade or service marks, you must comply with our directions within a reasonable time after receiving notice. You will pay the expense of changing your Franchise signage. Further, we will not be obligated to reimburse you for any loss of revenue attributable to any modified or discontinued Mark or for any expenditure you make to promote a modified or substitute trademark or service mark.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Copyrights.

We or our affiliate claim copyrights in the Operations Manuals, service brochures, the Website, Product and service materials, advertising materials and related items used in operating the Franchise (the “Copyrighted Materials”). We may further register, develop, change, cancel, enhance, or modify Copyrighted Materials at any time. We have not registered any Copyrighted Materials with the United States Registrar of Copyrights.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the Copyrighted Materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize franchisees to use the Copyrighted Materials. Furthermore, there are no infringing uses actually known to us which could materially affect a franchisee’s use of the Copyrighted Materials in any state. We are not required by any agreement to protect or defend Copyrighted Materials or confidential information, although we intend to do so if this action is in the best interests of the System.

If we decide to add, modify, or discontinue the use of a Copyrighted Material, you must also do so. We are not obligated to reimburse you for any costs of complying with this obligation. You do not have the right to take any action to enforce or defend any rights associated with the Copyrighted Materials. However, you must promptly notify us in writing if you become aware of any infringement of our copyrights, or if any infringement claims are made against you in connection with your use of the Copyrighted Materials or for expenses, costs and damages in actions involving Copyrighted Materials. We will then decide, in our sole discretion, what action, if any, will be taken. In the event that we engage in any litigation in the defense or prosecution of the Copyrighted Materials, we will bear all costs and expenses incident to such litigation, unless the litigation involves your violation of the Franchise Agreement’s

restrictions on the use of the Copyrighted Materials. Except for the costs and expenses incident to litigation just described, we have no obligation under the Franchise Agreement to protect you against, participate in your defense of, or reimburse you for, any damages for which you are held liable in any proceeding arising out of your use of the Copyrighted Materials. You agree to execute any and all documents and do such acts and things as may be necessary or desirable, in the sole opinion of our legal counsel, to carry out such defense or prosecution. You are not entitled to any compensation as a result of the discontinuation or modification of any of the Copyrighted Materials as a result of any proceeding or settlement. If you elect to be represented by personal legal counsel in connection with any proceeding involving the Copyrighted Materials, you will bear the fees, expenses, and other costs associated with such personal legal counsel.

Patents.

We do not own any rights in, or licenses to, any patents.

Confidential Information.

Our confidential information will include all non-public information about us, or affiliate, our franchisees, our suppliers and the System, including but not limited to, the Operations Manuals; System Standards; HIPAA related information from clients, services; methods for operating, managing, developing or coordinating Products and Services, marketing, distribution, performance, provision or rendering of Products or methods, equipment or supplies; recruitment, training, marketing or compensation methods; advertising, marketing, promotion, recruitment, human resourcing, training, sales and merchandising strategies, techniques and initiatives; manufacturers, vendors and supplier pricing and relationships; any related underlying materials, analyses, compilation, forecasts, research or market studies; our prototype and layout of a Location; proprietary software (if applicable); client lists and Client Data (as defined in the Franchise Agreement); referral sources; training materials and class instruction, including, without limitation, additional training provided through webinars or online training videos; billing and collection methods; financial information; and other information about us and information about our Approved Suppliers; and strategic partners, business plans, employees and independent contractors (collectively, the “Confidential Information”).

You may never – during the initial term, any renewal term, or after the Franchise Agreement expires or is terminated – reveal any of our Confidential Information to another person or use it for any purpose other than to operate your Franchise. You may not copy any of our Confidential Information or give it to a third party except as we authorize. All persons affiliated with or employed by you and to whom you grant access to Confidential Information or who attend training must sign a confidentiality agreement as well as all officers, directors, and equity holders.

All ideas, concepts, products, techniques and other newly developed information or materials relating to a Nowlogy Clinic business, whether or not constituting protectable IP, and whether created by or on behalf of you or your Owners, Operating Partner, Clinic Director, or employees, must be promptly disclosed to us, will be considered our property and part of the System and will be considered to be works made-for-hire for us. You, your Owners, and your employees must sign whatever documents we request to evidence our ownership or to assist us in securing intellectual property rights in these ideas, concepts, techniques, or materials. You will not receive any form of compensation or consideration in exchange for ideas, concepts, techniques, and other newly developed information or materials relating to the Franchise which you develop.

Client Data.

All information, mailing lists and databases of Client Data (as defined in the Franchise Agreement) from whatever source derived, will, at our request, and in any event when provided by you to us, be our property. You agree not to use such information, except in connection with your Franchise in accordance with the Franchise Agreement. You agree not to use, process, copy, display, publish, store, or transfer the Client Data without our approval. You agree to comply with all applicable laws with respect to Client Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert commercially reasonable efforts to prevent the unauthorized use, dissemination, or publication of Client Data, subject in all instances to applicable laws. You will promptly notify us if you become aware of or suspect any unauthorized access to the Client Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling practices of Client Data. You agree to indemnify us for all third-party claims related to your use of Client Data.

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

Your Operating Partner, Clinic Director who is approved by us and who has successfully completed all Initial Training must devote his or her full time efforts to the operation of your Franchise and must be onsite, in charge of the operation of the Franchise on a day to day basis. The Operating Partner must own a minimum ten percent (10%) voting equity interest in the entity that operates the Franchise and is party to the Franchise Agreement. The Clinic Director does not need to own any interest in any franchisee entity. In the event you operate more than one Nowlogy Clinic Franchise, then each Franchise must have at least one individual approved by us and who successfully completes Initial Training as a Clinic Director.

You and your Clinic Director are responsible for the day-to-day operation of the Franchised Business, including: hiring; setting the conditions of employment; training your staff members; supervising, discipline, and termination of all personnel; purchases (or leases) and maintenance of equipment and supplies; maintenance of employment records; daily maintenance, safety, security, and the achievement of compliance with our System; and the provision of health or medical products and services and the exercise of medical/clinical judgment.

If a Clinic Director resigns or is otherwise terminated, and the Franchised Business does not have any other Clinic Director, either you, your owners, or another qualified person must assume operation of the Franchised Business or you must hire a replacement Clinic Director that meets our current requirements for a Clinic Director in our Operations Manual. The replacement Clinic Director must successfully complete our Initial Training Program before starting to work at your Franchised Business.

You must form a corporation, limited liability company, limited partnership or limited liability partnership to own your Franchise and each of your Owners personally guarantee your obligations under the Franchise Agreement, and that they also agree to be personally bound by, and personally liable for the breach of, every provision of the Franchise Agreement, both monetary obligations and obligations to take, or refrain from taking, specific actions or to engage or refrain from engaging in specific activities.

All Owners and their spouses, Clinic Director, and any personnel completing our Initial Training must sign our form Non-Compete, Confidentiality and Non-Solicitation Agreement which is attached as Exhibit C to the Franchise Agreement, where permitted by law. These requirements apply whether or not an equity owner is involved in the Franchise's operation or management.

We restrict all employees and Franchise personnel from disclosing Confidential Information, and you must have all staff of the Franchise sign a confidentiality agreement to protect the Marks, the Operations Manuals and other information concerning the System, where permitted by law.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Approved Products and Services

You may not offer or sell any products and services that we have not approved, and you and your Licensed Providers and Clinic Director must be properly licensed, educated, experienced and trained to provide the products and services offered in your Franchised Business under applicable law. You may not offer or sell other products or services in your Franchised Business without our prior written approval. Your Franchised Business will use our System to provide individuals, couples, families, and groups of all ages counseling and therapeutic products and services, which may include (subject to our approval and depending on licensure, education, and training):

- Psychological assessment
- Psychological consultation (including forensic work such as mediation, neutral work, coaching, etc.)
- Psychotherapy on a variety of subjects, including abuse, addiction, anger, anxiety, behavioral, divorce, family conflict, grief/loss, maternal mental health, parenting, psychological and personality disorders, relationships, and trauma/PTSD
- Performance coaching (parenting, workplace, sports psychology)
- Materials such as books that we develop or may require you to sell from your Franchised Business.
- Subject to applicable law, your Franchised Business may also offer and sell medication management services through a Qualified Prescriber.
- Subject to the independent exercise of medical judgment by your Licensed Providers, you may be required to participate in a Clinically Integrated Network for Nowlogy clinics and other providers, and comply with all terms and conditions of the Clinically Integrated Network.

You, and your Licensed Providers and Clinic Director employed or retained by your Franchised Business, must maintain proper licenses, permits, and certifications to operate Nowlogy Clinic and to provide the products and services offered in your Franchised Business, and you can only offer those products or services that you are licensed to provide. We reserve the right to restrict you from offering certain products or services for any reason. You must not engage in the practice of medicine, mental health, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified. Neither we nor the Franchise Agreement will interfere, affect, or limit the independent exercise of medical judgment by your Licensed Providers and Clinic Director. However, we require that your Franchised Business adhere to all applicable laws including any state standards on mental health and therapeutic services and that your Franchised Business meet our minimum standards for client service. Your Franchised Business must accept cash/credit payments directly from clients, and may also accept third party reimbursements, including through insurance providers.

We also designate some services as optional for qualified franchisees. To offer optional goods or services, you must be in compliance with all obligations under the franchise agreement. In addition, we may require you to comply with other requirements, such as training, marketing, licensure and compliance with government regulations, or insurance, before we will allow you to offer certain optional services.

We can limit the type of products or services you may sell. We can also change the products or services we allow you to offer at any time, and there are no restrictions on our right to make these changes. You must follow our policies, procedures, methods, and techniques and comply with all of our mandatory standards and specifications when providing products or services through your Franchised Business. You cannot operate other businesses from your Franchised Business.

We have the right to add additional authorized services that a franchisee is required to offer. There are no limits on our right to do so except that the investment required of a franchisee for equipment, supplies, and initial inventory will not exceed \$5,000 per year.

Restrictions on Clients

You may not provide products or services to a minor unless the minor’s parent or guardian signs a payment form or acknowledgment, the form of which we must approve, unless you are otherwise able to provide services to certain minors under your state laws. We do not place geographic restrictions or limits on the clients you may serve, so long as you are licensed to provide the applicable products or services to these clients and you obtain our prior approval for all products and services you offer through your Franchised Business. However, these products and services must be offered through in-office sessions. We may also permit you to offer certain products and services through in-office and in-home sessions, class and group sessions and workshops, and online, remote, or telehealth sessions and workshops, as we may direct. We may assign a potential client or referral that we receive to any Nowlogy Clinic based on our current policies and appointment availability as we determine in the interests of the client, regardless of proximity of the client to your Franchised Business and without any obligation or compensation to you.

Membership Programs and Gift Cards

We may require you to give full reciprocity to clients of other Nowlogy Clinics at your Franchised Business, which would require you to give clients of other Nowlogy Clinic clinics the full benefits of membership at your Franchised Business including reduced rates. You must also participate in all gift card, gift certificate, and other promotional programs we establish. We will provide in our Operations Manual our current policies and practices for allocating funds generated from the sale or redemption of gift cards and memberships that involve multiple Nowlogy Clinics. You may not create or issue your own gift cards or gift certificates. We can also implement pricing policies, such as maximum price policies, and minimum advertised price policies, and you must abide by these policies.

You must use the Location only for the operation of the Franchise and may not operate any other business at or from the Location or store or house any non-Franchise assets at the Location without our express prior written consent.

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

THE FRANCHISE RELATIONSHIP

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

Provision	Section in franchise or other agreement	Summary
a. Term of Franchise	F.A. Section 2.4	Ten (10) years from the effective date of the Franchise Agreement.

Provision	Section in franchise or other agreement	Summary
b. Renewal or extension of the term	F.A. Section 2.6	If you are in good standing and comply with all of the renewal conditions, upon expiration of your original Franchise Agreement, you will have the right to renew your franchise for two (2) additional five (5) year terms.
c. Requirements for you to renew or extend	F.A. Section 2.6	Requirements include: (i) you provide us at least one hundred eighty (180) days prior notice; (ii) you complete, to our satisfaction, all refurbishment, maintenance and upgrading necessary; (iii) you are in good standing; (iv) you satisfy all monetary obligations you owe us, our affiliates, the Brand Fund, any cooperative and our Approved Suppliers and vendors; (v) you execute our then-current form of Franchise Agreement; (vi) you satisfy our then-current training requirements; (vii) you and your Owners sign a general release; (viii) you obtain an extension or renewal of your lease (if applicable); (ix) you agree to our reasonable proposed modification of your Territory, if any, due to shifts in population; and (x) you pay us \$10,000 for renewal fee. The then-current standard successor franchise agreement may contain materially different terms and conditions than your original Franchise Agreement.
d. Termination by you	F.A. Section 18.1	Upon our material breach which we do not cure or attempt to cure within ninety (90) days of your written notice. You may not otherwise terminate the Franchise Agreement.
e. Termination by Us without cause	None	We may not terminate the Franchise Agreement without cause.
f. Termination by us with cause	F.A. Section 18	Each of your obligations under the Franchise Agreement is a material and essential obligation, the breach of which may result in termination.

Provision	Section in franchise or other agreement	Summary
g. "Cause" defined-defaults which can be cured	F.A. Section 18.3	Curable defaults include any of the following events if not cured within the time period specified in the Franchise Agreement: (i) you submit understated Collected Revenue or other income reports; (ii) you fail to maintain and operate the Location in a good, clean, and wholesome manner; (iii) you deny our right to inspect the Location; (iv) you sell products or provide services that fail to conform to the specifications or System Standards; (v) you fail to maintain and operate the Franchise consistently with the Operations Manual or our standards (including by failing to achieve minimum Client satisfaction ratings); (vi) you fail to remit any payments immediately when due to us; (vii) you fail to remit any payments immediately when due to a supplier, vendor, landlord, the Cooperative, or other third party owed by the Franchise; (viii) you fail to submit to us any financial reports or other information required under the Franchise Agreement; (ix) you fail to maintain proper insurance; (x) you interfere with our ability to access our software or our ability to access the account used to transfer certain fees; (xi) you fail to obtain and maintain any required license or fail to comply with applicable laws and regulations; or (xii) you breach any other obligation, covenant or representation under the Franchise Agreement.
h. "Cause" defined-defaults which cannot be cured	F.A. Section 18.2	Non-curable defaults include: (i) making any unauthorized transfer of the Franchise or Franchise Agreement; (ii) failing to commence business within the time prescribed in the Franchise Agreement; (iii) failing to purchase or lease a suitable within sixty (60) days after execution of the Franchise Agreement; (iv) abandoning or failing to operate the Franchise for three (3) consecutive business days; (v) violating or breaching any of the Franchise Agreement's restrictive covenants or intellectual property provisions; (vi) bankruptcy or insolvency; (vii) failing to successfully complete Initial Training; (viii) the entering of certain judgments or liens against you or your property; (ix) knowingly selling products or providing services that fail to conform to the specifications or failing to sell products or provide services designated by us; (x) knowingly failing to report accurately the Collected Revenue of the Franchise or committing fraud, misrepresentation or a similar act or omission against us, related entities or a third party; (xi) defaulting, on two (2) or more separate occasions within any period of twelve (12) consecutive months, whether or not cured, on any of your material obligations to us or an affiliate; (xii) engaging in any misconduct which hurts the goodwill of the System; (xiii) conviction of or plea of no contest to a violation of certain laws or regulations or loss of medical license; (xiv) failing to pay any taxes when due; or (xv) violating the terms of any Client non-disclosure agreement or any HIPAA violations.

Provision	Section in franchise or other agreement	Summary
i. Your obligations on termination/non-renewal	F.A. Section 18.6	You must: (i) immediately cease to use any of the Confidential Information, the IP and the Marks; (ii) immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the IP or the Marks and all copies and records of any client or other similar lists; (iii) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts; (iv) immediately cease all use of our IP and stop holding yourself out to the public as associated with us in any way including removing all trade dress; (v) immediately cease using all Social Media Platforms and do all things necessary to remove your administrative access to these platforms; (vi) terminate your access to the e-commerce activities we designate and assign to us all telephone numbers, e-name and directory listings associated in any way with Nowlogy and our Marks, and direct the telephone company to transfer all such numbers and listings to us or our designee; (vii) immediately pay us all unpaid fees and pay us, our affiliates, and our approved and designated suppliers and vendors, all other monies owed; (viii) comply with the post-termination covenants; and (ix) cease any and all contact with suppliers, vendors, employees or our agents without our prior written consent.
j. Assignment of contract by us	F.A. Section 16.1	No restrictions on our right to assign.
k. "Transfer" by you - definition	F.A. Section 16.3	Voluntary or involuntary, direct, or indirect assignment, sale, gift, or other disposition of any interest in the Franchise Agreement or the assets of or ownership interest in the Franchise.
l. Our approval of transfer by franchisee	F.A. Section 16.5	We reserve the right to approve all transfers.

Provision	Section in franchise or other agreement	Summary
m. Conditions for our approval of transfer	F.A. Section 16.6	Conditions include: (i) the transferee and its owners meet or exceed the approval criteria including passing a background check all at our sole discretion; (ii) you pay all amounts owed to us or to third-party creditors and have submitted all required reports and statements; (iii) if applicable, the new Operating Partner, Clinic Director of transferee completes our required training program; (iv) transferee enters into our then-current form of franchise agreement and any required related agreements; (v) the transferee agrees to upgrade the Franchise to conform to our then-current System Standards; (vi) the applicable transfer fee is paid; (vii) you and all transferring Owners have signed a general release; (viii) we approve the material terms and conditions of such transfer and if the transferee is financing the purchase, the transferee must be able to comply with the debt terms of the arrangement based on past operating history; (ix) if you or your Owners finance any part of the sale price of the transferred interest, you and/or your Owners subordinate transferee's obligation to pay you to our right to Royalty Fees, Brand Fund Contributions and other amounts due to us and otherwise to comply with the Franchise Agreement; and (x) upon our request, you have agreed that you will provide guidance and support for a period of no less than thirty (30) days from the day the transferee satisfactorily completes all training.
n. Our right of first refusal to acquire your business	F.A. Section 16.10	Within thirty (30) days after notice, we have the option to purchase the transferred interest on the same terms and conditions offered by a third party provided that we may substitute cash in place of any finance terms.
o. Your death or disability	F.A. Sections 16.7 & 16.8	Your Franchise or an ownership interest in you must be assigned to an approved buyer in the time we designate and must be run by a trained operator during the period before the assignment. Assignment is subject to our right of first refusal. We have the right to manage the Franchise and charge a management fee if we feel, in our sole discretion, that the Franchise is not being operated properly.
p. Non-competition covenants during the term of the franchise	F.A. Section 7.2	The Owners, spouses of Owners, Operating Partners, and Clinic Directors are prohibited from operating or having an interest in any type of business that derives fifteen percent (15%) or more of its revenue from therapy and counseling services.
q. Non-competition covenants after the franchise is terminated or expires	F.A. Section 17.6	Your Owners are prohibited from (i) operating or having an interest in any type of counseling services within a twenty-five (25) mile radius of the Territory of any franchise or company owned outlet for a period of twenty-four (24) months; (ii) soliciting our strategic partners or other personnel with whom we do business to accept employment or affiliation with you; (iii) soliciting our clients; or (iv) disparaging us or the System in any way.
r. Modification of the agreement	F.A. Sections 8.1 & 23.3	You must comply with the Operations Manuals as periodically amended. The Franchise Agreement may only be modified or amended in writing signed by all parties.

Provision	Section in franchise or other agreement	Summary
s. Integration/merger clause	F.A. Section 23.3	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document may not be enforceable.
t. Dispute resolution by arbitration or mediation	F.A. Sections 21.4 & 21.5	Disputes between you and us may be settled by non-binding mediation or by binding arbitration in Minnesota at our sole discretion.
u. Choice of forum	F.A. Section 21.2	Minnesota (subject to applicable state law).
v. Choice of law	F.A. Section 21.1	Minnesota (subject to applicable state law).
w. Waiver of jury clause	F.A. Section 21.12	Both parties agree to waive the right to a jury trial for all disputes (subject to applicable state law).

ITEM 18 PUBLIC FIGURES

We do not employ any public figure or celebrity in our management, nor do we use a public figure or celebrity to promote our franchises.

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 make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Amelia Paquin, 1303 South Frontage Road, Suite 150, Hastings, MN 55033, (651) 431-8894, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Nowlogy Outlet Summary
For years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned*	2021	1	1	0
	2022	2	2	0
	2023	2	3	+1
Total Outlets	2021	1	1	0
	2022	2	2	0
	2023	2	3	+1

*These locations owned by our affiliate.

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

State	Year	Number of Transfers
Total	2019	0
	2020	0
	2021	0

**Table No. 3
Status of Nowlogy Clinic Franchised Outlets for years 2021 to 2023**

State	Year	Outlets At Start Of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets At End Of the Year
Total	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0

Table No. 4
Status of Nowlogy Clinic Company-Owned Outlets
For years 2021 to 2023

State	Year	Outlets Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold To Franchisee	Outlets at End of the Year
Minnesota	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	1	0	0	0	3
Texas	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	2021	1	0	0	0	0	1
	2022	1	1	0	0	0	2
	2023	2	1	0	0	0	3

Table No. 5
Projected Nowlogy Clinic Openings as of Issue Date

State	Franchise Agreements Signed but Not Opened	Projected New Franchised Outlets In Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Minnesota	0	1	0
South Dakota	0	1	0
Wisconsin	0	1	0
Texas	0	0	1
Total	0	3	1

A list of our current franchisees as of the issue date of this Disclosure Document is attached as Exhibit C.

There are no franchisees that have had their outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recent fiscal year or who has not communicated with us within the past ten (10) weeks of the issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit A to this Disclosure Document is our audited opening day balance sheet dated September 30, 2024. We have not been open for three (3) years so we are unable to provide you with three (3) full years of audited financial statements. Our fiscal year end is December 31 of each year.

ITEM 22
CONTRACTS

Attached are copies of the following agreements relating to the offer of the Franchise:

- Exhibit B: Franchise Agreement
- Schedule I*: Franchisee Information
 - Exhibit A: General Release
 - Exhibit B: Personal Guaranty
 - Exhibit C: Non-Compete, Confidentiality and Non-Solicitation Agreement
 - Exhibit D: Electronic Funds Transfer (EFT) Authorization
 - Exhibit E: Internet Websites, Digital, Social Media and Listing Agreement
 - Exhibit F: Telephone Listing Agreement
 - Exhibit G: Collateral Assignment of Lease
 - Exhibit H: Managed Services Addendum
 - Exhibit I: Statement of Prospective Franchisee
 - Exhibit J: On-Site Training Agreement
 - Exhibit K: Multi-State Franchise Agreement Amendments
 - Exhibit L: Conversion Addendum

ITEM 23
RECEIPTS

Please sign and return one copy of the receipt attached to this Disclosure Document as Exhibit M.

EXHIBIT A
FINANCIAL STATEMENTS

NOWLOGY FRANCHISING, LLC.

FINANCIAL STATEMENTS

with

**Accompanying Independent
Auditor's Report**

Year Ended September 30, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Management and the Members of the
NOWLOGY FRANCHISING, LLC
Minneapolis, MN

We have audited the accompanying financial statements of NOWLOGY FRANCHISING, LLC, which comprise of the balance sheet as of September 30, 2024, and the related statements of income, retained earnings and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of NOWLOGY FRANCHISING, LLC as of September 30, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Minneapolis, MN



October 8, 2024

NOWLOGY FRANCHISING, LLC.

BALANCE SHEET

As of September 30, 2024

	<u>2024</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 50,006
Total Current Assets	<u>50,006</u>
PROPERTY AND EQUIPMENT	
Furniture and Equipment	<u>-</u>
	-
Less: Accumulated Depreciation	<u>-</u>
Net Property and Equipment	-
Total Assets	<u><u>\$ 50,006</u></u>
LIABILITIES AND MEMBER'S EQUITY	
CURRENT LIABILITIES	
Accruals and Payables	<u>-</u>
Total Current Liabilities	-
Total Liabilities	<u>-</u>
MEMBER'S EQUITY	
Members' Contribution	50,000
Members' Distribution	-
Retained Earnings	-
Net Income	<u>6</u>
Total Members' equity	<u>50,006</u>
Total Liabilities and Members' Equity	<u><u>\$ 50,006</u></u>

NOWLOGY FRANCHISING, LLC.
STATEMENTS OF INCOME AND MEMBERS' EQUITY
For the Year Ended September 30, 2024

	<u>2024</u>
REVENUE	
Fees and Commission Earned	-
Total Revenue	<u>-</u>
COST OF SALES	
Commissions paid to Foreign Agent	-
Total Cost of Sales	<u>-</u>
GROSS PROFIT	
GENERAL AND ADMINISTRATIVE EXPENSES	
Depreciation and amortization	-
Rent	-
Total General and Administrative Expenses	<u>-</u>
NET OPERATING INCOME (LOSS)	
OTHER INCOME (EXPENSE)	
Interest Income	6
Net Other Income (Loss)	<u>6</u>
NET INCOME (LOSS)	
	<u>\$ 6</u>
MEMBERS' EQUITY	
Beginning of Year	-
Current Year Members' Contribution/Distribution	50,000
TOTAL MEMBERS' EQUITY	<u><u>\$ 50,006</u></u>

NOWLOGY FRANCHISING, LLC.
STATEMENTS OF CASH FLOWS
For the Year Ended September 30, 2024

	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Net Income	\$ 6
Adjustments to reconcile Net Income to Net Cash provided by operating activities:	
Depreciation and amortization	-
Changes in operating assets and liabilities	
(Increase) decrease in:	
Accounts Receivable and Deposit in Transit	-
(Decrease) Increase In:	-
Accruals and Other Payable	-
Net Cash Provided By (Used in) Operating Activities	<u>6</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Certificates of Deposits	-
Net Cash Provided By (Used in) Investing Activities	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Members' Contribution/Distribution	50,000
Net Cash Provided By (Used in) Financing Activities	<u>50,000</u>
INCREASE (DECREASE) IN CASH	50,006
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 50,006</u></u>

NOWLOGY FRANCHISING, LLC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Nowlogy Franchising, LLC. (the Company), are presented to assist in understanding the Company's financial statements. The financial statements and notes are the representations of the Company's management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been applied in preparation of the financial statements.

Nature of Operations

The Company is a healthcare franchising business was incorporated on September 14, 2024, as a Limited Liability Company. The Company will operate in the states of Minnesota, Wisconsin, South Dakota and Texas.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and US GAAP.

Fair Value of Financial Instruments

The carrying value of cash, receivables, payables, and accrued liabilities approximate their fair value due to the short-term maturity of these instruments.

Property and Equipment

Property and equipment will be stated at cost. Major improvements will be capitalized and depreciated over three, five and seven years using the straight-line method. Repairs and maintenance will be expensed in the year in which they are incurred. As of September 30, 2024, the Company had no property and equipment.

Estimates and Assumptions

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements during the reporting period. Significant estimates include allocations to various functional expense categories. Actual results could differ from those estimates.

Revenue Recognition

Commission and fees will be collected from customers, includes the foreign agent's fee for locating the ultimate recipients mostly in foreign countries and disbursing the funds to them. This fee, based on the terms of the agreement with foreign agent, will be directly credited to foreign agents account with the Company. Hence, the Company's Statement of Income will reflect earned revenue collected from customers and adjusted for negotiated cost sharing, which includes travel cost for transporting cash.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Company considers cash in checking accounts, savings accounts, and certificates of deposits of three months or less maturity to be cash equivalent.

NOWLOGY FRANCHISING, LLC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024

Federally Insured Deposit Limits

The Company maintains its cash in several different bank accounts in the United States. Interest bearing accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up the \$250,000. During the year, balances in interest bearing account did not exceed that limit.

NOTE B – LIMITED LIABILITY COMPANY

Since the Company is a Limited Liability Company, no member, manager, agent or employee of the Company is personally liable for the debts, obligations or liabilities of the Company, whether arising in contract, tort or otherwise, or for the acts or omissions of any other member, director, manager, agent or employee of the Company, unless the individual has signed a specific personal guarantee. The duration of the Company is perpetual.

NOTE C – SUBSEQUENT EVENTS

Management has evaluated subsequent events for inclusion in these financial statements through October 8, 2024, the date of the independent auditor's report. No such inclusion was required.

EXHIBIT B
FRANCHISE AGREEMENT



NOWLOGY PYSCHOLOGY EXPERTS FRANCHISE AGREEMENT

Name: _____

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- Exhibits:
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 - Exhibit A: General Release
 - Exhibit B: Personal Guaranty
 - Exhibit C: Non-Compete, Confidentiality and Non-Solicitation Agreement
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 - Exhibit F: Telephone Listing Agreement
 - Exhibit G: Collateral Assignment of Lease
 - Exhibit H: On-Site Training Agreement
 - Exhibit I: Multi-State Franchise Agreement Amendments
 - Exhibit J: Conversion Addendum

**NOWLOGY FRANCHISING, LLC
FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (together with all appendices, schedules, exhibits, and ancillary agreements signed in connection with the grant of the Franchise defined below and described herein, collectively referred to as the “Agreement”) is effective as of the date set forth on Schedule I (the “Effective Date”) for the operation of a Nowlogy Clinic (the “Nowlogy Clinic”) between Nowlogy Franchising, LLC, a Minnesota limited liability company (“Franchisor”, “we,” “us” or “our”), and the business entity and Owners (as defined in Section 3.1) set forth on the signature page to this Agreement and Schedule I (“you”, “your”, or “Franchisee”) (collectively, you and we are referred to as the “parties” and individually sometimes referred to as a “party”) for the purpose of granting you the rights necessary to operate the Nowlogy Clinic (the “Franchise”).

1. PREAMBLES AND STATEMENTS OF UNDERLYING FACTS.

1.1 Nowlogy System. We and our affiliates, as a result of the expenditure of time, effort and money have developed (and continue to develop and modify) a unique system licensing to franchisees a business model for establishing and operating an outpatient counseling and therapy clinic under the “Nowlogy” service mark providing counseling, medication management, psychological consultation, assessments and high-quality mental health and therapeutic products and services, by Licensed Providers (as defined below), to individuals, couples, families, and groups as well as training programs to psychology trainees, psychological consulting to other professionals, psychological assessment, psychological interventions, and psychoeducation and related support (“Services”). A “Licensed Provider” means, as applicable: (1) a doctorate level psychologist, psychology fellow, or psychology intern licensed or otherwise permitted to provide outpatient counseling and therapy products and services, directly or indirectly, at or through the Nowlogy Clinic under applicable local, state, and federal laws and regulations; and (2) a prescriber providing evaluation and management services that is licensed to prescribe medication to patients, directly or indirectly, at or through the Nowlogy Clinic under applicable local, state, and federal laws and regulations. We provide our Services using our distinctive formats, methods, policies, procedures, standards, specifications, information, training and business relationships, all of which we, in our sole judgment, may change, alter, amend, further improve, discontinue, develop or otherwise modify from time to time (collectively, the “System”). You must honor our guarantee that clients receive doctoral level care.

1.2 The Intellectual Property. The distinguishing characteristics of the System include, but are not limited to, the name “Nowlogy” together with such other trade names, service marks, and trademarks (collectively, the “Marks”) and all other intellectual property, including, without limitation, all inventions, patents, patent applications, works of authorship, procedures, copyrights, titles, symbols, logotypes, trade dresses, emblems, slogans, insignias, terms, know-how, methods, specifications, designations, designs, diagrams, anecdotes, artworks, worksheets, techniques, rules, ideas, course materials, advertising and promotional materials, and other audio, video and written materials developed and designated for use in connection with the System, including the URL websites: www.nowlogy.com or as we may hereafter acquire, develop or designate for use in connection with the System (together with the Marks, the “Intellectual Property”).

1.3 The License. Psychology Express Inc., a Minnesota corporation (“PEI”), our affiliate, granted us a license to use the Marks and certain other Intellectual Property to operate the System with the right to sublicense such Marks and Intellectual Property to qualified franchisees to own and operate a Franchise. We grant to persons who meet our qualifications and are willing to undertake the investment and effort, the right to own and operate a Franchise using the System, the Intellectual Property and the Marks.

1.4 The Franchise. You desire to acquire the right to operate a Franchise, using the System, the Intellectual Property and the Marks.

1.5 Franchisee's Application. You submitted an application to us representing and warranting that all information, including financial information, provided to us is true, complete, correct and not misleading in any material respects ("Franchise Application"). We approved the Franchise Application in reliance upon your representations and warranties set forth therein.

1.6 Acknowledgments. You understand and acknowledge that the terms of this Agreement are reasonably necessary to maintain our high standards of quality, appearance, and service and the uniformity of those standards among all Franchises ("System Standards"), and to protect and preserve the goodwill of the Marks, the Intellectual Property and the System.

2. GRANT OF FRANCHISE; TERRITORY

2.1 Franchise Grant. The grant of the Franchise hereunder is exclusively for the purpose of operating a Nowlogy Clinic at an address which, if known at the time of execution of this Agreement, shall be set forth on Schedule I (the "Location") or if not known at the execution of this Agreement, shall be located within the "Territory" described on Schedule I. Subject to the terms and conditions of this Agreement, we grant, and you accept, the right and obligation for the Term (as defined in Section 2.4):

(a) to develop, open and operate the Nowlogy Clinic at the Location or within the Territory if a Location is not yet determined;

(b) to offer certain products and Services through in-office and in-home sessions, class and group sessions and workshops, and online, remote, or telehealth sessions and workshops within the Territory (as defined in Section 2.3 below), subject to our prior written consent;

(c) to adopt and use the System in the operation of the Nowlogy Clinic;

(d) to advertise to the public that you are a Nowlogy Clinic franchisee; and

(e) to adopt and use the Intellectual Property, but only in connection with providing the Services and the sale of products, if any, which have been designated by us at the Nowlogy Clinic.

2.2 Reservation of Rights. The rights granted under this Franchise shall only include the right to establish and operate a Nowlogy Clinic and, with our prior written consent, to offer certain products and Services through in-home sessions or remotely within the Territory. We reserve and retain all rights that this Agreement does not expressly grant to you, including but not limited to:

(a) the exclusive right to own and operate Nowlogy Clinic at any location(s) outside of your Territory under the Marks or using the Intellectual Property, or to license others the right to own and operate a Nowlogy Clinic at any location(s) outside of your Territory under the Marks and System or using the Intellectual Property;

(b) the right to establish and operate (and to grant to others the right to establish and operate) any other businesses offering products and services that are not the same as or similar to the products or services offered at Nowlogy Clinic through similar or dissimilar service delivery channels, at any locations inside or outside the Territory under trademarks or service marks other than the Marks and on any terms and conditions we deem appropriate;

(c) the right to acquire the assets or ownership interests of one or more businesses that operate, and/or has granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with the an outpatient counseling and therapy clinic businesses related to the Nowlogy Clinic, and/or the right to be acquired by a competing outpatient counseling and therapy business, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory, provided, however, that if we acquire such a competing business or chain, we will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory, although we may rebrand such existing businesses in your Territory to use the Marks and the System, and it is expressly acknowledged by you and us that any such business operations of the same or similar business that existed or operated at the time of such acquisition or transaction shall not constitute a breach of Section 2.3; and

(d) the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, the outpatient counseling and therapy clinic businesses related to Nowlogy Clinic, and the services and products offered, and authorize others to do so, and those materials may appear in media, including, without limitation, the Internet or similar electronic media, or be received by prospective customers located anywhere, including within the Territory.

(e) the right to use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in this Agreement.

Notwithstanding the above, we do not restrict the clients you may serve and you may solicit clients outside your Territory, if you are licensed to provide the applicable Services and products to these clients and you obtain our prior approval for all Services you offer through your Nowlogy Clinic. Although you can solicit clients outside of your Territory, you do not have the right to use other channels of distribution, such as the Internet, catalog, telemarketing, or other direct marketing, to provide Services and make sales outside your Territory, unless we approve otherwise.

We make no guarantees, promises, representations, statements or warranties that other franchisees will not advertise or market to customers within your Territory. We, in our sole discretion, may enforce the advertising and marketing restrictions indicated in this Section, but we are under no obligation to do so. Under no circumstances will we be liable to you if other franchisees market or advertise to customers within your Territory. Other franchisees may advertise and market within your Territory if the advertising or marketing is not specific to your Territory (for example, advertising in a newspaper with general circulation). Neither we nor our affiliates have a plan to operate a franchise under a different trademark that offers services and products similar to the Services, but we reserve the right to do so in the future. There are no restrictions on our right to solicit or accept business from consumers inside the Territory without paying any compensation to you.

2.3 Territorial Rights. This Franchise does not, in any way, either directly or by implication, grant any other area, market or territorial rights to you, except that we will not operate or license or grant franchises to third parties for the right to operate Nowlogy Clinic, or a similar outpatient counseling and therapy business that operates under a different mark or trade name, at a location within the geographical territory described on Schedule I ("Territory"). Another Nowlogy Clinic may be located on the border of your Territory. If you fail to satisfy our System Standards, as determined in our sole discretion, we reserve the right to modify or remove the exclusivity from all or a portion of your Territory (allowing us or our affiliates to then operate, license or grant franchises to operate a Nowlogy Clinic within such area).

2.4 Term. Your grant to own and operate a Nowlogy Clinic begins on the Effective Date and ends on the tenth (10th) anniversary of the Effective Date (the "Initial Term"), unless sooner terminated pursuant to this Agreement. The word "Term" means this Initial Term and any Renewal Term (as defined

below) or extension of that time period. This Agreement will not be enforceable until it has been countersigned by us and delivered to you.

2.5 Re-Location. You may only operate out of one Location centrally located within the Territory. You must submit to us a written request to approve any proposed new location for your Nowlogy Clinic if you desire to relocate your Nowlogy Clinic. You may relocate the Location, inside the Territory, only with our written approval. If you wish to voluntarily relocate the Nowlogy Clinic, you must ensure that there is no operating gap between the date you close the original Location and the date you open the new, approved Location. We may consent to the re-location based on your Franchise's existing financial performance, the quality of the proposed availability of a site for relocation and other criteria used to consent to a location. We are not obligated to approve or consider any request for relocation and may, in our sole discretion, deny a request or require any conditions prior to the consideration of such proposed relocation. As a condition for our approval of a relocation request, at our election, we may require that you sign our then current Franchise Agreement. You must either pay us \$2,500 or reimburse us for our costs and expenses included in connection with any relocation request, whichever is greater. Aside from cases of force majeure, the new location must be secured and built-out and operating prior to the closure of your current Location.

2.6 Renewal. If we are still offering and selling Nowlogy Clinic franchises and operating the System at the expiration of your Initial Term, then you will have the right to renew your Nowlogy Clinic and the Intellectual Property in order to continue to operate a Nowlogy Clinic for two (2) additional five (5) year terms (together, the "Renewal Term"), provided you have met all the following conditions and satisfied each of the requirements set forth below:

(a) You have notified us of your intention to renew this Agreement in writing at least one hundred and eighty (180) days (but no more than two hundred seventy (270) days) prior to the expiration of the Initial Term;

(b) You have completed, to our satisfaction, prior to the expiration of the Initial Term, all refurbishment, maintenance and upgrading necessary to bring your Franchise into full compliance with our then-current System Standards;

(c) You are not in breach of any provision of this Agreement, or any other agreement with us, our affiliates, or our approved/designated suppliers and vendors, or your landlord, or a Cooperative (as defined in Section 12.8) and you have substantially complied with all such agreements during their respective terms;

(d) You have satisfied all monetary obligations you owe us, our affiliates, the Brand Fund (as defined in Section 12.4), the Cooperative, and our approved/designated suppliers and vendors;

(e) You execute our then-current form of franchise agreement and all other ancillary agreements, instruments and documents then customarily used by us in the granting of Franchises, the terms of which may vary substantially from the terms of this Agreement and may include, without limitation, increased royalty fees and advertising obligations;

(f) You satisfy our then-current training requirements for renewing franchisees at your sole expense, if any;

(g) You and your Owners (as defined in Section 3.1) and their respective spouses sign a general release in the form set forth on Exhibit A (or any other form required by us or as allowed under applicable law) in favor of us and our affiliates and their respective members, officers, directors, employees,

agents, successors and assigns, for all claims arising out of or related to this Agreement or any related agreements with us or our affiliates;

(h) If applicable, you obtain an extension or renewal of your lease for the entire Renewal Term and demonstrate such to our satisfaction;

(i) You agree to our reasonable proposed modification of your Territory boundaries, if any, due to shifts in population, commercialization or urbanization in accordance with our then-current standards; and

(j) You pay to us the renewal fee in the amount of \$10,000.

Upon your notice to us that you desire to renew your Franchise within the time period prescribed in subsection (a) above, we, in turn, shall provide you with any documents that you are required to execute for the renewal term, which documents may include, but are not limited to, a general release, our then current Franchise Agreement and all other ancillary agreements, instruments and documents then customarily used in granting new Nowlogy Clinic franchise. You must execute and return to us, together with payment of a renewal fee no later than the expiration date of the Initial Term. If we do not receive the executed documents and renewal fee by such expiration date, then this Agreement shall expire, you shall have no further rights under this Agreement. Further, if you fail or refuse to make the required modifications or undergo any refresher training or otherwise meet any conditions set forth above, then we shall have the right to terminate any renewal agreement.

2.7 Extension of Term. If you do not renew pursuant to the terms of Section 2.6 upon the expiration of the Initial Term or the Renewal Term and continue to accept the benefits of this Agreement, then, at our option, this Agreement may be treated as: (i) expired as of the date of the Initial Term's or Renewal Term's, as applicable, expiration, which will result in your operating the Franchise without a license in violation of our rights; or (ii) continued on a month-to-month basis until we provide you with notice of our intent to terminate the month-to-month term. In the latter case, all of your obligations shall remain in full force and effect as if this Agreement had not expired, and all obligations and restrictions imposed upon you upon the expiration of this Agreement shall be deemed to take effect upon the termination of the month-to-month term.

2.8 Refusal to Renew Franchise Agreement. We can refuse to renew your Franchise if your lease, sublease or other document by which you have the right to occupy the Location is not extended before your Renewal Term is to take effect to cover the period of such Renewal Term or if you do not have a written commitment from your landlord to renew the lease or sublease for a period at least equal to the Renewal Term. We may also refuse to renew your Franchise under other circumstances, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us, our affiliates, our Approved Suppliers (as defined in Section 8.3), a Cooperative when due, or your failure to cure of any defaults incurred during the Initial Term of this Agreement, if applicable.

2.9 Renewal Under Law. Even though we decline the renewal of your Franchise, it is possible that we can be required to renew it under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the applicable law, rule, regulation, statute, ordinance or order, your Renewal Term will be subject to the conditions of the franchise agreement we are using for new franchisees at the time the Renewal Term begins. If we are not then offering new Franchises, your Renewal Term will be subject to the terms in the then-current franchise agreement that we indicate. If for any reason that is not allowed, the Renewal Term will be governed by the terms of this Agreement.

2.10 Your Election Not to Renew. For the purposes hereof, you shall be deemed to have irrevocably elected not to renew the Franchise hereunder (and the option to do so shall thereupon terminate) if you fail to execute and return to us any of the renewal franchise documents required by us, together with payment of the renewal fee outlined above, or if you provide written notice to us within the final sixty (60) days of the Initial Term, indicating that you do not wish to renew this Agreement or any renewal franchise agreement or you fail to provide notice of your intention to renew in accordance with Section 2.6(a) of this Agreement.

3. OWNERS, OPERATING PARTNER AND CLINIC DIRECTOR.

3.1 Owners' Guaranty. Simultaneously with the execution hereof, each individual owner, shareholder, general partner or member of the entity operating the Franchise (who shall all be designated as an "Owner" on Schedule I) and each such Owner's spouse shall execute and deliver to us a personal guaranty, substantially in the form designated on Exhibit B attached hereto (the "Guaranty"), which Guaranty shall be a condition precedent to the grant of the Franchise hereunder and pursuant to which each individual Owner and their spouse shall be jointly and severally obligated to us under this Agreement.

3.2 Operating Partner. You agree to appoint an individual that owns at least ten percent (10%) of the voting and equity interest in the Franchise, who shall (i) be responsible for your Nowlogy Clinic and all decisions; (ii) be granted the authority by the Franchise to bind it in any dealings with us and our affiliates; and (iii) direct any action necessary to ensure compliance with this Agreement and any other agreements relating to the Nowlogy Clinic (the "Operating Partner"). The name and address of the initial Operating Partner is set forth on Schedule I. We must approve your original and any replacement or subsequent Operating Partners in writing.

3.3 Clinic Director. If your Operating Partner is not tasked with running the day-to-day operations of your Nowlogy Clinic full-time, then you must also have a person designated to work full time overseeing and operating the Nowlogy Clinic on a day-to-day basis (the "Clinic Director"). The Operating Partner may act as your Clinic Director or you may designate a Clinic Director that is approved by us in writing. All Clinic Directors and Operating Partners must complete the required training program to our sole satisfaction. We must approve in writing any replacement, additional or subsequent Clinic Director. You may also hire additional assistant Directors for your Nowlogy Clinic.

3.4 Best Efforts. Your Operating Partner and Clinic Director (if your Operating Partner is not your Clinic Director) shall diligently and fully exploit the rights granted in this Agreement by personally devoting full time and best efforts to the operation of the Nowlogy Clinic and your Operating Partner and/or Clinic Director shall perform your obligations under this Agreement faithfully and honestly and continue to exert your best efforts to promote and enhance the Nowlogy Clinic and the System for the full Term of this Agreement. Each of you and your Owners, including your Operating Partner covenants and agrees that they shall make all commercially reasonable efforts to operate the Nowlogy Clinic to achieve optimal revenue and patient satisfaction.

3.5 Owner Acknowledgment. You, including each of your Owners have represented to us that you have entered into this Agreement with the intention to comply fully with the obligations to construct a Nowlogy Clinic hereunder and not for the purpose of reselling the rights to develop the Nowlogy Clinic hereunder. You and your Owners understand and acknowledge that we have granted such rights in reliance on the business and professional skills, financial capacity, personal character of, and expectations of performance hereunder by, you (including your Owners) and that this Agreement and the rights and obligations hereunder may not be transferred until after the Nowlogy Clinic commences operations to the public and then only in accordance with the terms of this Agreement.

4. DEVELOPMENT, APPROVAL OF SITE, AND COMMENCEMENT OF OPERATIONS.

4.1 Locating Site and Approval of Site.

(a) You assume all cost, liability, expense and responsibility for locating, obtaining and developing the Nowlogy Clinic at an approved Location and for constructing and equipping the Nowlogy Clinic at such site. You shall not make any binding commitment to a prospective vendor or lessor of real estate with respect to a site for the Nowlogy Clinic unless the site is accepted by us as set forth below.

(b) If the address of the Nowlogy Clinic is not known at the time of execution of this Agreement, you shall submit a description of the proposed site which meets the site criteria set forth in our Operations Manual (as hereafter defined) within thirty (30) days of the Effective Date. We shall provide you written notice of approval or disapproval of the proposed site within fifteen (15) days after receiving your written site proposal package containing all of the information necessary to evaluate whether your proposed Location meets our site criteria standards. If we do not provide you written notice of approval or disapproval within said fifteen (15) days, the site is deemed disapproved. If your proposed site is not approved, then you must select an alternative site and repeat the site approval process until we have approved a proposed site for your Nowlogy Clinic. Our approval of a site indicates only that we believe that the site meets our site selection criteria in place at the time you submit your proposal. Our approval of a prospective site and any rendering of assistance in the selection of a site does not constitute a representation, promise, warranty or guarantee, express or implied, by us that a Nowlogy Clinic operated at that site will be profitable or otherwise successful. We disclaim all liability for the consequences of approving a particular site.

(c) You must obtain our approval of a site and purchase or enter into a lease for the approved site for the Nowlogy Clinic within the Territory within sixty (60) days of the Effective Date or we may terminate the Agreement pursuant to Section 18.2(c).

(d) If the Location is not designated, we shall use reasonable efforts to help analyze the Territory, to determine site feasibility, and to assist in the designation of the Location which we must approve. However, you acknowledge and agree that we will not conduct site selection activities on your behalf and nothing contained herein shall be interpreted as a guarantee of success for said Location nor shall any site recommendation or approval made by us be deemed a representation that any particular site is available for the Nowlogy Clinic. It shall be your sole responsibility to undertake site selection activities and otherwise secure the premises for your Nowlogy Clinic. We may, in our sole discretion, provide on-site Location selection assistance at your request and subject to our availability but you must pay our travel and out-of-pocket costs and expenses. Our site selection assistance does not constitute a warranty or guaranty that the Nowlogy Clinic will be profitable or otherwise successful at the approved Location.

4.2 Lease Terms. You are required to obtain our written approval before entering into a lease (including a sublease) or purchase agreement of the Location. You must deliver a copy of your fully executed lease or purchase agreement to us within five (5) days of execution. Our consent to your lease or purchase agreement is merely to confirm that the lease or purchase agreement conforms to the System Standards, but we do not provide any analysis as to the terms and conditions of the lease. We reserve the right to approve deviations from our site selection standards based on the individual factors and components of a particular site, but any such approvals shall be granted in our sole discretion. If you are unable to locate a site for your Nowlogy Clinic within sixty (60) days after this Agreement is executed, we may terminate this Agreement. You and your landlord must execute a Collateral Assignment of Lease in the form attached hereto as Exhibit G or a lease containing provisions substantially similar to those contained in Exhibit G. It is your responsibility to secure signature of the Collateral Assignment of Lease or to negotiate the required

provisions into any lease. Our approval of any lease shall be conditioned upon inclusion in the lease of terms acceptable to us and at our option, the lease shall contain such provisions including, but not limited to:

- (a) A provision reserving to us or our nominee the right, at our election, to receive an assignment of the leasehold interest upon termination or expiration of the Agreement;
- (b) A provision requiring our prior written approval of the lease and any subsequent renewals, extensions, modifications, and amendments;
- (c) A provision which requires the lessor concurrently to provide us with a copy of any written notice of deficiency under the lease sent to you and which grants to us, in our sole discretion, the right (but not the obligation) to cure any deficiency under the lease within fifteen (15) days after the expiration of the period in which you had to cure any such default should you fail to do so;
- (d) A provision granting us or our nominee the right of first refusal to lease the Location if the lease expires without renewal by you or terminates prior to expiration;
- (e) A provision which evidences your right to display Nowlogy Clinic signage and to install and operate equipment in accordance with the specifications required by the System, subject only to the provisions of applicable law;
- (f) A provision that the site be used solely for the operation of the Nowlogy Clinic;
- (g) A provision which expressly states that any default under the lease shall constitute a default under this Agreement; and
- (h) A provision stating that you are a Nowlogy Clinic franchisee that is independently owned and operated.

Upon approval of the Location and designation of a Territory, you hereby authorize us to amend Schedule I to this Agreement to reflected the updated information.

4.3 Nowlogy Clinic Build-Out and Construction.

(a) Design. The Operations Manual contains Nowlogy' design standards that include specific paint colors, flooring, furniture, and fixtures (including some that may need to be custom designed and built), lighting, signage and other design and construction elements. These specifications and layouts might not reflect the requirements of any federal, state, or local law, code, or regulation. You may use a contractor and architect of your choice for the construction and build-out of your location. The specifications for each position will be listed in the Operations Manual. You must provide us with a final design and building plan, floor plans, layouts and schematics prepared by your architect and general contractor in accordance with any guidelines set forth in the Operations Manual for our approval (the "Design and Construction Plan"). You acknowledge that (i) any plans and specifications we provide you may not contain the requirements of any federal, state or local law, code or regulation (including those concerning the American with Disabilities Act (the "ADA")) or similar rules governing public accommodations or commercial facilities for people with disabilities; and (ii) our review is only to ensure your compliance with our System Standards. Compliance with all federal, state and local laws and regulations are your sole responsibility. You may not use any plans until we have approved them in writing, and our silence with respect to approval or rejection of the plans will not be deemed approval thereof. You must provide written notice to us, and must obtain our prior written approval, of any proposed changes to

the final plans that we previously approved. We may inspect the Location during its development. You must receive our approval of the final outfitted and built-out Location prior to commencing operations.

(b) **Construction.** You shall commence and diligently pursue construction or remodeling (as applicable) of the Nowlogy Clinic, including, without limitation, paving of parking areas, installing outdoor lighting and sidewalks, extending utilities, demising of interior walls and demolishing of any existing premises. During the time of construction or remodeling, you shall provide us with such periodic reports regarding the progress of the construction or remodeling as may be reasonably requested by us. In addition, we may inspect the Nowlogy Clinic during its development to ensure compliance with our System Standards. You shall notify us of the scheduled date for completion of construction or remodeling no later than thirty (30) days prior to such date. You acknowledge and agree that you will not open the Nowlogy Clinic for business without our written authorization and that authorization to open shall be conditioned upon your strict compliance with this Agreement.

4.4 Commencement of Operations. You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Location. Prior to beginning the construction of the Nowlogy Clinic, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Nowlogy Clinic, and (ii) provide us copies of all minimum required insurance coverage evidencing it is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. You must open the Nowlogy Clinic no later than twelve (12) months immediately following the execution of this Agreement. If you fail to open the Nowlogy Clinic in accordance with the preceding sentence, we may, at our sole option, terminate this Agreement and you have no right to refund of your Initial Franchise Fee or any other costs, fees or expenses related to the Franchise.

4.5 Reconstruction of Site. In the event the Nowlogy Clinic is damaged or destroyed by fire or any other casualty, or is required to be repaired or reconstructed by any governmental authority, you shall, at your own expense, repair or reconstruct the Nowlogy Clinic within a reasonable time under the circumstances, however, in the event such time exceeds one hundred and twenty (120) days, we shall have the option, exercisable by us in our sole discretion, to terminate this Agreement. The minimum acceptable appearance for the restored Nowlogy Clinic will be that which existed just prior to the casualty; however, every effort should be made to have the restored Nowlogy Clinic reflect the then-current image, design and specifications of System. If the Nowlogy Clinic is substantially destroyed by fire, or any other casualty, the parties may terminate this Agreement in lieu of you reconstructing the Nowlogy Clinic.

4.6 Remodeling. In addition to any remodeling required by us upon the renewal or assignment of the Franchise, you shall, upon written notice from us and at your sole cost and expense, remodel and make improvements and alterations in and to the Nowlogy Clinic and/or other items used in your Nowlogy Clinic as reasonably determined by us, from time to time, to be necessary to reflect our then-current specifications, standards, format, layout, image, and appearance.

4.7 Time of Essence. Time is of the essence and failure to meet any of the deadlines specified herein shall result in our right to terminate this Agreement under Section 18.

5. FEES AND PAYMENT.

5.1 Initial Franchise Fee. In consideration of the Franchise granted to you by us, you must pay us an initial franchise fee of forty thousand dollars (\$40,000) for the right to develop and operate one Nowlogy Clinic (“Initial Franchise Fee”). The Initial Franchise Fee (as applicable) is payable in one (1)

full lump sum by cash, certified check or wire transfer upon the execution of this Agreement. The Initial Franchise Fee is not refundable under any circumstance.

5.2 Onboarding Package Fees. For your first Nowlogy Clinic, you must pay us our current onboarding package fee of ten thousand dollars (\$10,000), which will be included in the Initial Franchise Fee, for certain items and services that we will provide to you before or after opening (in our sole discretion) (the “Onboarding Package Fee”). The Onboarding Package Fee shall be deemed to have been earned by Franchisor upon execution of this Agreement and shall not be refundable.

5.3 Contract and Credentialing Service Fees. For any contract and credentialing service fees not included in the Onboarding Package Fee, you must pay us the then-current contract services fees per payor (currently, \$500 per payor) and credentialing service fees per provider (currently, \$500 per provider), due and payable before we provide the contract or credentialing services. The contract and credentialing service fees shall be deemed to have been earned by Franchisor when due, and shall not be refundable (regardless of whether Franchisor obtains any approvals or is otherwise able to obtain such contracts or credentialing).

5.4 Qualified Clinician System Fee. In addition to the Initial Franchise Fee, you must, for the entire Term of this Agreement, remit to us on or before the tenth (10th) day of each calendar month, a monthly nonrefundable administrative and system fee of seven and one-half percent (7.5%) of the Collected Revenue (as defined in Section 5.4(a) hereof) of each Qualified Clinician (as defined in Section 5.4(b) hereof) and each Qualified Prescriber in the prior calendar month, with at least a minimum of Four Thousand Dollars (\$4,000) per month, in consideration for use of the Marks, Intellectual Property and System (the “Qualified Clinician System Fee”). The Qualified Clinician System Fee shall be due and payable beginning on the tenth (10th) day of the month following the first full month after the commencement of operation of the Nowlogy Clinic for the prior full month and continuing thereafter for each subsequent month. Qualified Clinician System Fees and Qualified Prescriber Fees are calculated and due on a per Qualified Clinician and per Qualified Prescriber basis, respectively, based on data available in Franchisor’s EHR System or otherwise available to Franchisor.

(a) **Collected Revenue.** For the purposes of this Agreement, the term “Collected Revenue” means the total amount of revenues, income, receipts, reimbursements, and other fees actually received that are attributable to or earned by the Licensed Providers or other employees or contractors of your Nowlogy Clinic for activities and services taking place by or through your Nowlogy Clinic or processed through the EHR System, and all other services and products, if any, sold under the Marks, or otherwise related to the your Nowlogy Clinic, including amounts received for co-pays, private payments, and insurance reimbursements. Amounts collected and remitted by you to any governmental taxing authority in satisfaction of sales, provider, or occupation taxes are excluded from Collected Revenues.

(b) **Qualified Clinician.** For the purposes of this Agreement, the term “Qualified Clinician” means a Licensed Provider providing outpatient counseling and therapy products and services, OR evaluation and management services that is licensed to prescribe medication to patients, directly or indirectly, at or through your Nowlogy Clinic in a given calendar month (whether working part-time or full-time, whether providing services for a full or partial month, and whether retained as an employee or independent contractor). However, if a Qualified Clinician provides products or services, directly or indirectly, at or through multiple Nowlogy clinics owned or managed by you or your affiliates, we will allocate the Qualified Clinician on a pro-rata basis to each clinic based on the approximate hours worked at each clinic or allocate the Qualified Clinician to a single clinic, as we may determine.

(c) **Qualified Prescriber.** For the purposes of this Agreement, the term “Qualified Prescriber” means a Licensed Provider who provides evaluation and management services that is licensed

to prescribe medication to patients, directly or indirectly, at or through your Nowlogy Clinic in a given calendar month (whether working part-time or full-time, whether providing services for a full or partial month, and whether retained as an employee or independent contractor). However, if a Qualified Prescriber provides products or services, directly or indirectly, at or through multiple Nowlogy clinics owned or managed by you or your affiliates, we will allocate the Qualified Prescriber on a pro-rata basis to each clinic based on the approximate hours worked at each clinic or allocate the Qualified Prescriber to a single clinic, as we may determine.

5.5 Brand Fund Contribution. On or before the tenth (10th) day of each calendar month, you shall pay to us a monthly nonrefundable brand fee of One Hundred Dollars (\$100) per each Qualified Clinician and Qualified Prescriber in the prior calendar month (the “Brand Fund Contribution”) to the Nowlogy Brand Fund (the “Brand Fund”). The Brand Fund Contribution must be paid in the same manner and frequency as the Qualified Clinician System Fee is paid, provided, that we may require you to pay the Brand Fund Contribution directly to the Brand Fund. The Brand Fund Contribution is in addition to the Qualified Clinician System Fee. We reserve the right to change the frequency with which you pay the Brand Fund Contribution, in our sole discretion, upon written notice. Brand Fund Contributions are calculated and due on a per Qualified Clinician and Qualified Prescriber basis based on data available in Franchisor’s EHR System or otherwise available to Franchisor.

5.6 Initial Training. “Initial Training” is available to all of your Owners and directors but it is mandatory and provided free of charge for the Operating Partner and Clinic Director. At your request, we will provide initial training to additional personnel at our then current fees, which is currently One Thousand Five Hundred Dollars (\$1,500) per person. Any replacement Operating Partner or Clinic Director must be approved by us and must successfully complete Initial Training, for which you must pay us our then current fee. You agree that you are solely responsible for all travel and living expenses of all attendees including airfare, lodging, food, wages, and other expenses.

5.7 Manner of Payment. Unless otherwise stated in this Agreement, any fees due hereunder must be paid no later than the tenth (10th) day of each calendar month, by an ACH electronic funds transfer under which we automatically deduct all payments owed to us under this Agreement, or any other agreement between you and us, from your bank account. We may, with written notice, designate another method or time period for payment. You must deposit all revenues from operating the Franchise into one (1) bank account within one (1) business day of receipt, including cash, checks and credit card receipts. Before opening the Franchise, you must provide us with your bank’s name, address and account number, a voided check from such bank account, and sign and give to us and your bank, all documents, including Exhibit D to this Agreement, necessary to effectuate our ability to withdraw funds from such bank account via ACH electronic funds transfer. You must immediately notify us of any change in your banking relationship, including changes in account numbers. We reserve the right to change the structure or payment method of the Qualified Clinician System Fee or Brand Fund Contribution if required by applicable law.

5.8 Insufficient Funds Fees. If there are not sufficient funds in your account to permit us to debit the account for the payments you owe us, you will pay to us an insufficient funds fee equal to two hundred fifty dollars (\$250) per violation. This fee is in addition to late fees and interest on any overdue amount, as described in Section 5.9 below, and any fees charged by your bank.

5.9 Interest on Overdue Amounts. If any fee or other payment due to us or our affiliates under this Agreement is not paid on or before its due date, you agree to pay us, in addition to the overdue amount, interest on any overdue payment at the lower of (i) one and one-half percent (1.5%) per month; or (ii) the highest contract rate allowable by law. Interest on any overdue amount shall accrue from the original due date until payment in full is received. Interest as enumerated in this Section 5.9 shall also apply to any understated amounts as revealed by an audit of your financial records. You acknowledge that this Section

5.9 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, your Franchise. You further acknowledge that your failure to pay all amounts that you owe us when due constitutes grounds for our terminating this Agreement under Section 18, notwithstanding this Section.

5.10 No Right to Set-Off. You agree that you shall not, on grounds of the alleged nonperformance or default by us of any of our obligations under this Agreement, withhold payment of any fee or other amount payable to us under this Agreement or otherwise. Notwithstanding any designation you may make, we have the right to apply any of your payments to any of your past due indebtedness to us.

5.11 Technology Fee. We will provide you with certain technology services from time to time. These services may include the provision of a certain number of email addresses for your Nowlogy Clinic, access to and use of our EHR Systems, and use of certain software or other technology to assist in the management of your Nowlogy Clinic. Technology Fees are calculated and due on a per Qualified Clinician (currently, \$200 per month per Qualified Clinician in the prior month) and Qualified Prescriber basis (currently, \$400 per month per Qualified Prescriber in the prior month), respectively, based on data available in Franchisor's EHR System or otherwise available to Franchisor. We may change the Technology Fee upon thirty (30) days' prior notice to you. We may modify or terminate these technology services at any time. These are not the only technology or technology services Franchisee will need to operate its Nowlogy Clinic and Franchisee is responsible for obtaining such technology and services.

5.12 Management Fee. In the event that (i) you fail to cure a default within the applicable cure period or (ii) you are unable to provide oversight of the Franchise to prevent harmful interruption of your Nowlogy Clinic due to your death, disability or prolonged absence, we have the right to operate your Nowlogy Clinic. In the event we operate your Nowlogy Clinic, you must pay us a monthly nonrefundable management fee of seven and one-half percent (7.5%) of Collected Revenue of the Franchise in the prior calendar month plus expenses for the management of your Nowlogy Clinic (the "Management Fee"). The reimbursable expenses include our and our representatives' wages, travel, lodging and meals. During any management period, you will still be required to pay to us all recurring fees.

5.13 Non-Compliance Fee.

(a) We may charge you a One Hundred Fifty Dollars (\$150) fee for any instance where you fail to submit any required report or information due to us under this Agreement or pursuant to the Operations Manual. If such non-compliance is ongoing, we may charge you One Hundred Fifty Dollars (\$150) per week, plus interest, costs, and legal fees, until such report is submitted and the non-compliance is cured. This fee is a reasonable estimate of our internal cost of personnel time and other costs and expenses attributable to addressing the reporting non-compliance and is not a penalty or estimate of all damages arising from your breach. The non-compliance fee is in addition to all of our other rights and remedies.

(b) If you fail to comply with any operational and System Standards, then we may charge you a non-compliance fee equal to our reasonable estimate of our internal cost of personnel time and other costs and expenses attributable to addressing the non-compliance starting at \$150 per occurrence and up to \$500 per occurrence, plus interest, costs, and legal fees. This fee is a reasonable estimate of our internal cost of personnel time attributable to addressing the non-compliance, and is not a penalty or estimate of all damages arising from your breach. The non-compliance fee is in addition to all of our other rights and remedies.

5.14 Shared Service Fee. On or before the tenth (10th) day of each calendar month, Franchisee shall pay to Franchisor a monthly nonrefundable shared services fee of seven and one-half percent (7.5%) of Collected Revenue of the Nowlogy Clinic in the prior calendar month.

5.15 Local Advertising Requirement. You are required to spend a minimum of One Hundred Twenty-Five Dollars (\$125) per each Qualified Clinician and Qualified Prescriber in the prior calendar month on approved local advertising and promotion in accordance with the parameters, specifications and standards outlined in the Operations Manual and as further described in Section 12.2 of this Agreement, commencing in the second month after opening of your Nowlogy Clinic. If a Cooperative is established which encompasses your Territory, you will automatically and immediately become a member of the Cooperative and you must agree to contribute to the Cooperative the amount agreed upon by a majority of the members of the Cooperative, to pay that amount to the Cooperative at the times agreed upon by a majority of the members, and to abide by the Cooperative's rules. The payments you make to a Cooperative may be applied by you toward satisfaction of your Local Advertising Requirement, but if the amount you contribute to a Cooperative is less than the Local Advertising Requirement, you must still spend the difference locally.

6. TRAINING AND ASSISTANCE.

6.1 Initial Training. Our Initial Training is available to all of your Owners and Directors. However, prior to the opening of your Franchise, your Operating Partner and Clinic Director must attend and complete to our satisfaction Initial Training as set forth and described in the Operations Manual. Furthermore, any replacement Operating Partner or Clinic Director must be approved by us and must successfully complete Initial Training, for which you must pay us our then current fee, which currently for additional attendees is \$1,500 per attendee. Training for your Operating Partner and Clinic Director is included in the Initial Franchise Fee (for a total of two (2) attendees). You must pay all expenses incurred in connection with such Initial Training, including, without limitation, travel, lodging, meals, local transportation expenses and wages for your attendees. Actual dates of Initial Training are subject to change at any time, and we assume no responsibility for any costs incurred by you or your attendees as a result of such changes. If your Operating Partner and Clinic Director fail to complete the Initial Training to our satisfaction, then we may, in our sole discretion, (i) terminate this Agreement; or (ii) require such trainee repeat training at your cost (not ours) until we determine, in our sole discretion, that the Initial Training has been successfully completed.

6.2 Opening Assistance; Telephone Support. We will provide you "Onboarding Package", which will consist of items and/or services that we provide to assist with the opening of your Nowlogy Clinic and may vary in our discretion. You will provide us with at least thirty (30) days' written notice of the proposed opening date of your Nowlogy Clinic. We will be available during normal business hours, and without charge to you, to provide you with reasonable telephone and email support on operating issues concerning your Nowlogy Clinic. We may also provide, without charge to you, optional meetings, via conference calls, virtually, or at a location we specify, to discuss strategy, obstacles, and growth for up to two (2) hours each; provided, you are responsible for any travel, lodging, and meal expenses incurred in attending such optional meetings.

6.3 Continuing, Additional or On-Site Training.

(a) We may require your Operating Partner and Clinic Director, or any Owner or employee to attend mandatory additional, periodic or refresher training courses on site, at locations we designate from time to time or by webinar or videoconference ("Continuing Training"). The costs for Continuing Training are two hundred dollars (\$200) per hour, per trainer plus your and your attendees' wages, travel, living and miscellaneous expenses incurred in connection with such Continuing Training. We will notify you of any additional charges before you or your employees enroll in a course. You may request that additional personnel attend Continuing Training (in addition to those individuals that we require) and we will provide such Continuing Training at no charge if there is room in an already scheduled

training course. This does not include Additional Training or Mandatory Additional Training, for which we can charge a fee, as outlined in Section 6.3(b) and (c) below.

(b) You may request additional training, which we may agree to provide in our sole discretion (“Additional Training”). If we provide Additional Training, you will pay us our then current fee, currently one thousand five hundred dollars (\$1,500) per attendee for the first day and one thousand dollars (\$1,000) per attendee for each additional day, plus you are responsible for all of your and your attendees’ wages, travel, living and miscellaneous expenses incurred in connection with such Additional Training.

(c) If we require any additional training (“Mandatory Remedial Training”) (which may include On-Site Training, as defined below) (i) that we determine is necessary or appropriate, in our sole discretion, to protect the quality, integrity and/or reputation of the System, Marks and/or Intellectual Property, including, without limitation, because you are in default or breach under this Agreement or otherwise in violation of our System Standards; (ii) upon renewal of this Agreement; or (iii) upon a change in your Operating Partner or Clinic Director, then we will charge you our then-current fee, which is currently five hundred dollars (\$500) per attendee, per day, to conduct such Mandatory Remedial Training, plus you and your attendees’ wages, travel, living and miscellaneous expenses incurred in connection with such mandatory additional training. Failure to attend any Mandatory Remedial Training is a default under the Agreement.

(d) We may provide Additional Training or Mandatory Remedial Training at your Location or within your Territory (“On-Site Training”) subject to availability of personnel and other factors in our sole discretion. If we provide On-Site Training, you will pay us the then current fee per trainer, currently one thousand five hundred dollars (\$1,500) per attendee for the first day and one thousand dollars (\$1,000) per attendee for each additional day, to conduct the On-Site Training plus the trainers’ wages, travel, living and miscellaneous expenses.

(e) Additional Training, Mandatory Additional Training, and On-Site Training fees are fully earned and non-refundable when paid.

6.4 Conventions, Meetings, Retreats and Conference. We may, in our discretion, hold seminars, meetings, retreats, conferences or conventions for our franchisees (“Required Conference(s)”) at a location to be selected by us. We may require your Operating Partner or Clinic Director or both to attend any Required Conference. We currently anticipate the registration fee will be \$500 per attendee, but we reserve the right to change the fee at any time, and we reserve the right to charge a registration or other fee to attend the Required Conference in an amount not to exceed the actual cost of the conference, per attendee. In addition, all expenses, including transportation to and from any Required Conference, and lodging, meals, and salaries during any Required Conference, are your sole responsibility. If your Operating Partner does not attend any required conference, you will be responsible for making up any training offered at the conference at a time and location we designate in our sole discretion and at your sole expense, which expense may exceed the cost to attend the Required Conference.

7. EMPLOYEES.

7.1 Personnel Development. You will have the sole authority and control over the day-to-day activities of your employees. You will be solely responsible for recruiting, training and developing all employees, staff, workers, independent contractors, and any other personnel as may be needed (“Personnel”). You are responsible for making sure all Personnel are capable of performing their duties in accordance with System Standards. When hiring Personnel, you shall use your best efforts to hire qualified and competent employees. You are solely responsible for the supervision of your employees. You will decide the compensation to be paid to your Personnel. We will not be responsible for payment of any

compensation to you or your Personnel. At no time will you or your employees be deemed to be employees of us or our affiliates.

You shall take such steps as are necessary to ensure that your Personnel do not violate any System policies relating to the use of Social Media Platforms (as defined in Section 10.1(d)), including prohibiting employees from posting any information relating to us, the System, the Marks, or the Nowlogy Clinic that is inconsistent with such policies. You shall not, however, prohibit or restrict any social media communications or activity by your employees which prohibition or restriction violates your employees' right to engage in protected concerted activity under the National Labor Relations Act.

Furthermore, if you offer medication management services through Licensed Providers, you must hire and retain at least one (1) medication management assistant per each Qualified Prescriber working at the Nowlogy Clinic to provide support services to that Qualified Prescriber. The medication management assistant must work an equivalent number of hours per week as the Qualified Prescriber in order to ensure adequate support.

7.2 Owners and Staff Confidentiality Agreements. Your Owner(s), Operating Partner, Clinic Director, each of your Owner's spouses, and all Personnel who attend any training we provide or who have access to our Confidential Information (as defined in Section 17.1), as allowed under applicable law, must sign a Confidentiality, Non-Use and Non-Competition Agreement in the form attached to this Agreement as Exhibit C ("Restrictive Covenant Agreement"). With respect to all Personnel, such agreements must be signed on or before the date such person is hired. You must provide us with a copy of each Restrictive Covenant Agreement within five (5) days after it is signed.

7.3 Taxes and Related Matters. You shall be responsible for income and other taxes required to be withheld and hereby assume full responsibility for payment of the employer's portion of any social security, federal and state taxes and any other taxes required to be withheld for your Personnel. You shall also pay and/or withhold taxes and premiums for unemployment and workers' compensation insurance for your Personnel, as required by state and/or federal law.

7.4 Indemnification. You will indemnify us, hold us harmless from, and defend us against any and all liabilities, losses, expenses, and obligations that we may incur related to any of your Personnel (or any person assisting or working on behalf of the Franchise) arising out of any claim, cause of action, complaint, proceeding (in litigation, arbitration, mediation, administrative process, regulatory proceeding or otherwise) relating to your obligations to pay them any compensation or remuneration or otherwise relating to an employment relationship. You understand and acknowledge that we are under no obligation or liability to any of your Personnel for any remuneration, compensation, commission, employment or any other duty, responsibility, liability or obligation. Your indemnification obligations: (i) include reimbursement to us of any and all of our attorneys' fees and costs in defending any such claim from your Personnel, (ii) survive expiration or termination of this Agreement, and (iii) extend to our affiliates, representatives and agents.

8. OPERATIONS MANUAL AND FRANCHISOR GUIDANCE

8.1 Operations Manual. During the Term, we will grant you electronic (or other) access to our Operations Manual or other writings in which we designate our System Standards (such Operations Manual, and any written guidelines, bulletins, descriptions, instructions, videotapes, audiotapes, magnetic media, and computer software concerning System Standards, including updates, amendments and supplements, however communicated by us, our affiliates or our designees, the "Operations Manual"). The Operations Manual may be modified by us from time to time to reflect changes in the System Standards. Our revisions to the Operations Manual will be effective on delivery to you (including via electronic

format), unless we specify a later effective date for a particular revision. If the Operations Manual is lost, stolen or damaged, you must obtain a replacement from us and we may charge you for such replacement. If a dispute develops with respect to the contents of the Operations Manual, the master copy we maintain at our principle office (or the electronic version of the Operations Manual we designate) will be controlling. You must keep the Operations Manual in a secure location which allows access only to those who have signed a Restrictive Covenant Agreement. The Operations Manual is our property and must be returned to us upon our request.

8.2 Guidance and Assistance. During the Term of this Agreement, we will, from time to time, furnish you guidance and assistance with respect to the System Standards as we determine necessary in our discretion. This guidance and assistance may be furnished in the form of the Operations Manual, bulletins, written reports and recommendations, other written or electronic materials, telephone consultations, electronic mail, training programs, meetings, conferences, videos and/or personal consultations at our offices, your Location or at a mutually convenient place as we determine necessary in our sole discretion. In addition to any obligations otherwise specifically set forth in this Agreement, our guidance and assistance consists of:

(a) Providing supervision and assistance for you and your employees prior to and including the grand opening of your Nowlogy Clinic to ensure that you are operating in compliance with the Operations Manuals as we deem necessary and appropriate in our discretion.

(b) Providing Continuing Training, Additional Training, Mandatory Remedial Training, periodic or refresher training or additional On-Site Training as we deem necessary subject to our then-current training fees as we deem necessary.

(c) Providing you with any updates to the Operations Manual and any other instructions, operations criteria or manuals prepared by us for use by our franchisees in the operation of their Franchises.

(d) Advising and consulting with you periodically in connection with the advertising, promotion, and operation of the Nowlogy Clinic and upon your reasonable request, at other reasonable times.

(e) Providing you, from time to time and in our sole discretion, advice and written materials concerning techniques of managing and operating the Franchise, including new developments in the System, equipment, services, pricing of Services (as allowed by applicable law), and mandating the use of such new techniques and developments as applicable.

(f) Making reasonable efforts to make available to you all additional services, facilities, rights, and privileges relating to the operation of the Nowlogy Clinic which we generally make available, from time to time, to all franchisees operating Franchise.

(g) Conducting periodic testing, from time to time, of products as we deem advisable.

(h) Providing you with an email address, designing, updating and maintaining our website and oversee all Social Media Platforms and Social Media Materials.

(i) Issuing, modifying and supplementing System Standards for franchisees as we deem necessary.

(j) Modifying the System, as we deem necessary, including, but not limited to, the adoption and use of new or modified techniques, supplies, equipment, products, trade names, trademarks, service marks, copyrighted materials, and information technology tools.

(k) Maintaining updated lists of approved items and other equipment, fixtures, inventory (as and if applicable), retail merchandise and branded materials (as and if applicable), and supplies and updated lists of Approved Suppliers (as defined in Section 8.3) for such items and provide the lists to you, as we deem appropriate.

(l) Conducting inspections of your Location or franchise operations, and the products, equipment, décor, furniture, and recommend changes to enhance your Nowlogy Clinic to ensure that it fully complies with the System and the Operations Manuals as we deem necessary and appropriate in our discretion.

(m) Providing you with access to any proprietary software programs as may be developed by us or on our behalf for use in the System in the future.

Notwithstanding the foregoing, if this is not your first Nowlogy Clinic we may, in our sole discretion, provide you with less assistance and guidance. Any assistance described above is at all times subject to our sole discretion, schedule and personnel availability.

8.3 Approved Equipment and Supplies. We may designate or require our approval of the types, models, brands, formats, providers, performers or suppliers of any products or Services, and any of the equipment, services, supplies, goods, uniform apparel, insurance carriers, financial services, employee benefit plans, merchant accounts and gateway services, and other services, assets, products, or materials utilized by you to operate your Franchise, which we may change, alter, or amend from time to time. We may require you to order through us certain products or materials, as we may specify from time to time. We reserve the right to derive revenue from your required purchases ordered through us. We may designate or require our approval of suppliers of products or services ("Approved Suppliers"). If you propose to use any supplies or supplier which is not then approved, you must notify us in writing and submit sufficient information, samples, and specifications to allow us to determine if the supplier and/or supplies meet our approved criteria. It is in our sole discretion whether to test additional supplies and/or suppliers you propose. You will be responsible for our out-of-pocket expenses plus the then current per diem charges for our personnel or third parties to test and evaluate your proposed supplier and/or supplies. We currently maintain a list of Approved Suppliers and criteria for approving suppliers in our Operations Manuals. We may modify this list on reasonable written notice to you.

8.4 Retail Prices. We may, from time to time, establish prices for the products offered through your Franchise, which may vary depending on the geographic region in which the Territory is located.

8.5 Independent Medical Judgment. Notwithstanding Franchisor's right to require Franchisee to operate its Nowlogy Clinic in accordance with the System, and the standards set from time to time by Franchisor, Franchisor and Franchisee recognize that the practice of mental health, counseling, or therapy is a profession requiring independent judgment, skill, and training and is governed by federal, state, and local laws and regulations. By granting Franchisee a Franchise, Franchisor is not engaging in the practice of medicine, mental health, counseling, therapy, or any other profession that requires specialized training, licensure, or certification. Franchisee must not engage in the practice of medicine, mental health, counseling, therapy, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified. This Agreement will not interfere, affect, or limit the independent exercise of medical judgment by the Licensed Providers. Franchisor does not interfere, affect, or limit the independent exercise of medical judgment by the Licensed Providers. However, Franchisee

must adhere to all applicable laws including any state standards on counseling and therapeutic services. Any inconsistency between the standards of the System or the advice of Franchisor, on the one hand, and any legal requirement, on the other hand, is inadvertent and not an effort to cause Franchisee to deviate from such legal requirements or the proper practice of its profession. Therefore, Franchisor and Franchisee understand and agree that (1) in all cases, lawful, regulatory requirements take precedence over any inconsistent advice, counsel, or other guidance offered by Franchisor as well as any inconsistent standards Franchisor may prescribe; (2) no business advice given by Franchisor nor any standard Franchisor prescribes or recommends shall be taken as advice in respect of the practice of the profession of mental health, counseling, or therapy, as defined by law; and (3) in any case in which Franchisee believes that Franchisor's advice or standards contravene the practice of the profession of mental health, counseling, or therapy or any legal requirements of that practice, Franchisee will notify Franchisor, orally and in writing, immediately.

9. SYSTEM TECHNOLOGIES.

9.1 Computers and EHR System.

(a) You agree to purchase the electronic health record software ("EHR System") we designate. Our EHR Systems provide online practice management solutions for your Nowlogy Clinic, including secure client portals allowing your clients to schedule appointments and view their profiles, electronic case note and treatment plans, progress notes to billing with clinical data flows, scheduling, billing and claims (including with third party payors), and staffing reports. You are required to maintain your credit card processing hardware and software in compliance with the Payment Card Industry (PCI) Data Security Standard. You must also acquire, license and use a financial reporting software, such as QuickBooks and other various software (collectively, the "Software") and general purpose computer, all designated or approved by us from time to time and as outlined in the Operations Manual (collectively, the "Computer System"). You shall not use or download any software on your Computer System unless it has been authorized by us in writing. In the event that you use or download any unauthorized software, you shall be liable for all damages and problems caused by such unauthorized software in addition to the other remedies provided under this Agreement. We may require you to obtain as part of the Computer System specified computer and communications hardware, equipment, components or software in addition to the Software and services and may modify our specifications for and required components of the Computer System from time to time. You agree to make such modifications and meet such requirements which may require you to incur additional costs. We may require that the Computer System or EHR System or both (i) be capable of connecting with our computer system; (ii) perform the functions we designate; (iii) permit us to review the results of your Franchise's operations; and/or (iv) be capable of engaging in any e-commerce (as defined below) activities that we designate or approve.

(b) You may be required to invest in and implement new technology initiatives at your own expense, which may include, but will not be limited to, music, Internet, TV broadcast, software management applications and other various software applications and surveillance systems and mobile applications designed to better manage business functions and control costs. We may designate the supplier you use for any goods and services associated with these initiatives.

(c) We or our affiliates, or business partners may develop technology, software, hardware programs or mobile applications or other new technology solutions and require that you use such new technology at your expense and in accordance with our System Standards. We reserve the right to pass through these costs as part of our Technology Fee or charge you a one-time fee for use or development of any such new technology. Additionally, you may be required to purchase additional hardware to ensure the full functionality of the technology that we, our affiliates or business partners develop.

9.2 Websites. Due to the importance of maintaining a uniform presence on the internet, we have the right to control all use of www.nowlogy.com URLs, domain names, websites, addresses, meta-tags, links, key words, e-mail addresses and any other means of electronic identification or origin (“e-names”) related to the Franchise. Neither you, nor any of your Owners or Personnel, are permitted to use an e-mail address that is not associated with our URL for the Franchise. We may require you, at your expense, to operate certain aspects of the Nowlogy Clinic that we designate through e-commerce methods, and in the manner we designate from time to time. We also have the right to designate, approve, control or limit all aspects of your use of the Internet, intranet system, World Wide Web, wireless technology, digital cable, use of e-names, virtual worlds, social media, portals, search engine optimization, pay-per-click advertising, home pages, bulletin boards, chat rooms, linking, framing, blogs, text messaging, on-line purchasing cooperatives, marketplaces, barter exchanges, and related technologies, methods, techniques, registrations, networking, and any electronic communication, commerce, computations, or any means of interactive electronic documents contained in a network of computers or similar devices linked by communications software (collectively, “e-commerce”). Further, you shall, at your sole expense, participate in our websites on the internet or other on-line communications, including an intranet system that we may develop in the future unless we provide otherwise. You must follow all of our policies and procedures for the use and regulation of e-commerce. You acknowledge that certain information obtained through your participation on our websites may be considered Confidential Information, including access codes and identification codes. Your right to participate in our Websites or any intranet system we may develop terminates when this Agreement expires or terminates. You shall assign and transfer to us or our designee any and all interest you may have in any e-commerce in connection with the Nowlogy Clinic by executing the Internet Website and Listing Agreement attached hereto as Exhibit E. We may require that you provide photographic, written or other forms of content to us for use in e-commerce activities associated with the Marks, the Intellectual Property or the System which we may designate. We may restrict your use of e-commerce, or your customer’s use of e-commerce in connection with the Product purchases to a centralized website, portal or network or other form of e-commerce designated by us operated by us or our designee. We may require that you provide information to us and arrange Product sales or distribution via e-commerce. We may require you to coordinate your e-commerce activities with us. We may require that your customers be provided access to certain e-commerce activities that we designate from time to time. You recognize and agree that between you and us, we own all rights to all interest in and to any data collected via e-commerce related to the System, the Intellectual Property and the Marks, including any customer data, click-stream data, cookies, user data, hits and the like. All such information constitutes our Confidential Information (as defined in Section 17.1).

9.3 Client Data and Data Security. Any information on clients of your Nowlogy Clinic that identifies or can be used to identify, contact, locate, or be traced back to the specific person to whom such information pertains, or from which identification or contact information of an individual person can be derived, including but not limited to, personally identifiable information (“Client Data”) and all information, mailing lists and data bases of Client Data from whatever source derived, industry standards must be used only in connection with your Nowlogy Clinic in accordance with this Agreement. You agree to comply with all applicable laws, regulations and with respect to Client Data; in addition, you agree to comply with all data privacy and security requirements we may establish from time to time and to exert your best efforts to prevent the unauthorized use, dissemination or publication of Client Data, subject in all instances to applicable laws. It is your responsibility to determine the data privacy laws applicable to you and your Nowlogy Clinic. We expressly disclaim knowledge of the data privacy laws applicable to you. You shall promptly notify us if you become aware of or suspect any unauthorized access to the Client Data, or if you become the subject of any governmental, regulatory or other enforcement or private proceeding relating to your data handling practices. You shall promptly carry out any request from us with respect to Client Data that is reasonably necessary to allow us to comply with data privacy laws applicable to us regarding processing, storage, handling, collection, use, transfer and transmission of Client Data.

The health care industry is heavily regulated. Some of the laws, regulations, and licensing requirements that apply to mental health clinics and will apply to your Nowlogy Clinic, relate to the practice of mental health and the licensing and operation of counseling services; privacy of patient records (including the Health Insurance Portability and Accountability Act of 1996, or HIPAA, and the Health Information for Economic and Clinical Health Act, or HITECH); the relationship of providers and suppliers of health care services with mental health professionals, including state and federal anti-kickback and self-referral laws and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid; prohibitions on fee splitting and self-referral restrictions (such as the federal “Stark Law” and similar state laws); and payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid). The form of Business Associate Agreement that you must sign is attached to the Franchise Disclosure Document as Exhibit J. Your Nowlogy Clinic may also be required to meet credentialing and enrollment requirements in order to participate in private and government insurance programs.

9.4 PCI Compliance. It is your responsibility to maintain and report your PCI compliance, which encompasses operational policies and practices as well as networks and EHR Systems hardware/software used to process credit card transactions, as well as attesting that you are abiding by (i) the PCI Data Security Standards enacted by the applicable card associations (as they may be modified from time to time or as successor standards are adopted); and (ii) all other security standards and guidelines that may be published from time to time by payment card companies and/or enacted by law, and are applicable to customer credit card and debit card information. If you know or suspect a security breach, you must immediately notify your credit card transaction acquirer, insurance carrier and us. You assume all responsibility for providing notice of breach or compromise, along with duties and costs associated with fraudulent transactions, penalties, and ongoing fees for monitoring customer credit card histories and/or transactions for affected clients of your Nowlogy Clinic.

9.5 Artificial Intelligence Usage. You acknowledge and agree that in order to protect the goodwill of the System, the Intellectual Property and the Marks, the use of artificial intelligence (“AI”) in the Nowlogy Clinic must be conducted in a safe, thoughtful, and ethical manner. You shall adhere to the following guidelines when employing AI technologies within the Nowlogy Clinic operations as well as any other guidance set forth in the Operation Manual:

(a) **Permitted and Prohibited Use of AI.** You may implement AI solutions within the permitted business scope of operating your Nowlogy Clinic, focusing on tasks such as process automation, customer service optimization, data analysis, and targeted marketing. You are strictly prohibited from using AI solutions to: (i) access, use, or transmit Confidential Information or Intellectual Property and the Marks without our prior written authorization; (ii) collect, store, or otherwise utilize Intellectual Property and Confidential Information in any way not expressly permitted under this Agreement and applicable data privacy laws; (iii) engage in any activity that could harm the System or our brand reputation or expose it or us to legal or regulatory risk; and (iv) develop or deploy AI solutions that violate applicable laws or regulations, including those pertaining to discrimination, data privacy, and consumer protection.

(b) **Data Security, Confidentiality, and Privacy.** You must implement and maintain appropriate technical and organizational measures to protect the security and privacy of all data processed or stored through AI solutions. You shall not use, disclose, or permit the use or disclosure of any Confidential Information, including but not limited to trade secrets, business strategies, and proprietary processes, in connection with the development, implementation, or operation of AI technologies. Under no circumstances shall you use any Intellectual Property and Confidential Information, whether obtained through the System or otherwise, in connection with AI technologies. You must promptly notify us of any potential data security breaches or privacy violations involving your AI solutions.

(c) Ethical AI Practices. You agree to employ AI technologies in accordance with industry best practices and ethical standards. This includes, but is not limited to, ensuring transparency, fairness, and accountability in AI decision-making processes.

(d) Monitoring and Reporting. We reserve the right to periodically audit your use of AI solutions to ensure compliance with this provision. Upon request or as otherwise directed in the Operations Manual, you agree to provide us with regular reports on the performance and impact of your AI solutions, including metrics relevant to data security, privacy, and compliance in the form set forth in the Operations Manual.

(e) Consequences of Breach. Any violation of this provision constitutes a material breach of this Agreement and entitle us to all remedies available under law and this Agreement, including termination of the Franchise Agreement. Notwithstanding anything set forth in these guidelines or the Operations Manual, you are solely responsible for ensuring your use of AI solutions and technologies comply with all applicable laws, rules and regulations, industry best practices, and any vendor supplier contracts. In no event will we be responsible for your use of AI solutions or technologies, and you shall defend and indemnify us in accordance with Section 14 of this Agreement for any losses and expenses incurred as a result of your use of AI solutions and technologies.

10. INTELLECTUAL PROPERTY AND MARKS.

10.1 Intellectual Property.

(a) You acknowledge that our affiliate, Psychology Express Inc. or us are the exclusive owner of the Intellectual Property, Marks, System Standards, and other elements of the System. You further acknowledge that any modifications to the System or any substitutions or additions to the Intellectual Property suggested or developed by you shall be owned exclusively by Psychology Express Inc. or us and may be incorporated by Psychology Express Inc. or us into the Intellectual Property without any compensation to you. As such, you hereby assign and transfer to Psychology Express Inc. or us (as instructed) all of your entire right, title and interest in and to any improvements, modifications, substitutions, or additions to the Intellectual Property suggested or developed by you and in and to any and all works of authorship and processes embodied therein, and in all goodwill signified thereby, and any and all intellectual property rights and any legal equivalent thereof, including the right to apply for, register, or claim priority to, letters patent, copyrights, trademark, trade secret and other intellectual property protection, and the right to enforce such rights, title and interest by lawsuit or otherwise. Additionally, all processes, ideas, concepts, methods, techniques or materials relating to Nowlogy Clinic, whether or not constituting protectable intellectual property, and whether created by or on behalf of you or your Operating Partner in connection with the development or operation of your Nowlogy Clinic, will be promptly disclosed to us. If we adopt any of them as part of the System, they will be deemed to be our sole and exclusive property and part of the System and deemed to be works made for hire for us. In addition, you hereby agree and covenant from time to time to execute and deliver such other documents or agreements and to take such other action as may be necessary or reasonable for the implementation of any assignment and the consummation of the transactions contemplated hereby. You hereby appoint us your true and lawful agent and attorney-in-fact with full power and authority, for the sole purpose of taking such action as is necessary to complete the assignment of any interest in any intellectual property rights described herein. This power of attorney shall survive the expiration or termination of this Agreement.

(b) You shall use the System, the Marks, and the Intellectual Property only in connection with the operation of the Nowlogy Clinic and strictly in accordance with the terms of this Agreement and all policies set forth from time to time in the Operations Manual. Any unauthorized use of

the System, the Marks and/or the Intellectual Property is and shall be deemed to be an infringement of Psychology Express Inc.'s and our rights.

(c) Except as expressly provided in this Agreement, you acknowledge and agree that: (i) you shall acquire no right, title or interest to the System, the Marks or the Intellectual Property, (ii) all goodwill associated with the System, the Marks and the Intellectual Property used by you shall inure exclusively to Psychology Express Inc.'s or our benefit, and (iii) upon the termination of this Agreement, no monetary amount shall be assigned as attributable to any goodwill associated with your use of the System, the Marks or the Intellectual Property.

(d) You acknowledge that the use of any computer or electronic medium, or social networking website, including but not limited to Facebook, LinkedIn, Twitter, Pinterest, Instagram, Tumblr, SnapChat, YouTube, Groupon, Google, or any blogs or other bulletin boards, or chat rooms, other networking and share sites and any other Internet site which exploits, utilizes, displays, or otherwise makes use of any of the Marks or Intellectual Property is our sole property and you may not establish any such website, blog, Facebook page, LinkedIn account, Twitter account, Pinterest account, Snapchat account, email distribution list, or other Internet account or presence, which exploits, utilizes, displays, or otherwise makes use of any of the Marks or Intellectual Property without our prior written consent and without granting us primary administrative rights to such account, site or page. We do not have to agree to any use of Social Media Platforms (as defined below) by you and we may, in our sole discretion, prohibit any use of Social Media Platforms by you or all of our franchisees. If we consent to your use of any Social Media Platforms, once we have approved the content of the material to be posted online and obtained primary administrative rights to the website, account, or page, then we will provide you with subordinate administrative access to, and guidelines for your use of such online mediums, such that you may promote, advertise, and market your Nowlogy Clinic locally. We retain ownership of the materials posted on any webpage or site. You have no right, title or interest to any webpage on any of your networking and websites including, but not limited to, all "fans", "followers", "friends" and "contacts" associated therewith which mentions, uses or refers in any way to the Marks or Intellectual Property even if such webpage is established by you or otherwise held in the name of the Franchise or your Operating Partner or any of your owners and you agree to execute the Internet Websites, Digital, Social Media and Listing Agreement attached hereto as Exhibit E. Upon expiration or termination of this Agreement, we retain all ownership of all content created during the Term and will remove your administrative access. In addition, you shall promptly submit to us all passwords for such site(s) and any changes to a password shall be submitted to us within three (3) days of the change. Your expenditures towards web based platforms such as Facebook, Twitter, LinkedIn, Instagram, blogs and other networking and sharing sites ("Social Media Platforms") or towards any material on any Social Media Platform that makes use of our Intellectual Property, Marks, name, brand, products, or your Franchise whether created by us, you or a third-party ("Social Media Materials") may count towards your required Local Advertising Requirement or grand opening advertising requirement pursuant to Sections 12.2 and 12.3 below.

(e) You shall at no time take any action whatsoever to contest the validity, ownership, distinctiveness or enforceability of the Marks or Intellectual Property and the goodwill associated therewith. You agree that your use of all or any part of the System or the Intellectual Property contrary to any provision of this Agreement, or your use of any confusingly similar method, format, procedure, technique, system, name, trade dress, mark, symbol, emblem, slogan, insignia, term, designation, design, diagram, promotional material or course material, during or after the Term, shall cause irreparable injury to Psychology Express Inc. and us and shall constitute a material breach of this Agreement, and shall entitle Psychology Express Inc. and us to obtain temporary, preliminary or permanent injunctive relief from a court or agency of competent jurisdiction, and to recover court costs, reasonable expenses of litigation, reasonable attorneys' fees, and any other appropriate remedies.

(f) You assign and transfer to us all rights or interests that you have or may have in any previous or current customer lists, lists of potential customers, and lists of referral sources, compiled by you during the Term of this Agreement (the “Lists”), with the result that the Lists are and remain our sole property. We grant you the right and license to use the Lists during the Term solely for the purposes contemplated by this Agreement.

10.2 Infringements and Claims. You must notify us immediately in writing of any apparent (including suspected) infringement of or challenge to your use of any Mark or Intellectual Property, or claim by any person of any rights in any Mark or Intellectual Property or similar copyright, trade name, trademark or service mark of which you become aware. You must not communicate with anyone except us and our attorneys in connection with any such infringement, challenge or claim. We have the sole discretion to take whatever action we deem appropriate. We have the sole right to control exclusively any U.S. Patent and Trademark Office, U.S. Copyright Office, litigation or other proceeding or any other litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark or Intellectual Property. You must sign any documents, give any assistance, and do any acts that our attorneys believe are necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks or Intellectual Property or otherwise to protect and maintain our interests in the Marks or Intellectual Property. You may not, at any time, contest the validity or ownership of any of the Marks or Intellectual Property, or assist any other person in contesting the validity or ownership of any of the Marks or Intellectual Property.

10.3 Discontinuance of Use. If it becomes advisable at any time in our sole judgment for your Franchise or the System to modify or discontinue the use of any of the Marks or for your Franchise or the System to use one (1) or more additional or substitute trademarks or service marks, you agree, at your sole expense to comply with our directions to modify or otherwise discontinue the use of such Mark or Intellectual Property, or use one (1) or more additional or substitute trademarks or service marks, within a reasonable time after our notice to you.

10.4 Franchisee Name. You may not use the words “Nowlogy Clinic” or any derivation thereof, in your legal entity’s name. You will hold yourself out to the public as an independent contractor operating a Nowlogy Clinic Franchise. Whenever practical, you will clearly indicate on your business checks, stationery, business cards, invoices, receipts, advertising, public relations and promotional materials, website, Social Media Platforms, and other written materials that you are a franchisee. You will file for a certificate of assumed name (d/b/a) in the manner required by applicable state and/or law to notify the public that you are operating as an independent business pursuant to this Agreement. You must use your corporate or limited liability company name either alone or followed by the initials “D/B/A” and the business name “Nowlogy Clinic” or “Nowlogy Clinic of _____” (insert location name). Prior to adoption of your corporate and assumed name (if any), you shall obtain the written approval of such name(s) from us.

10.5 Further Reservation Rights. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, in our sole and unrestricted discretion and as we may deem to be in the best interests of the applicable parties in any specific instance, to vary standards for any franchisee or franchisees based upon the peculiarities of a particular territory, density of population, business potential, business practice or other condition important to the successful operation of such Franchise. We may grant to one (1) or more franchisees variations from standard specifications and practices as we determine in our sole and unrestricted discretion, and we shall have no obligation to grant you like or similar variations. You acknowledge that, over time, we have entered, and will continue to enter, into agreements with other franchisees that may contain provisions, conditions and obligations that differ from those contained in this Agreement. The existence of different forms of agreement does not affect our or your duties to comply with the terms of this Agreement.

11. DUTIES AND RESPONSIBILITIES.

11.1 Compliance with System Operations. You acknowledge that every component of the System is important to the operation of the Nowlogy Clinic as a Nowlogy Clinic Franchise, consistent with the image of the Nowlogy Clinic as an efficiently operated business offering high quality professional services and products and observing high standards of patient service and care, and providing efficient, courteous service. You shall comply with the entire System, including, but not limited to:

(a) operating your Nowlogy Clinic for at least those months, hours and days that we specify in the Operations Manual;

(b) operating the Nowlogy Clinic in a clean wholesome manner in compliance with System Standards prescribed by us;

(c) complying with all business policies, practices, and procedures imposed by us; offering and selling at the Nowlogy Clinic only those services and products now or hereafter designated by us; and maintaining the building, fixtures, equipment, signage, seating and decor, and parking area (if applicable) in a good, clean, and well-lit condition, free from disrepair, and in compliance with designated System Standards;

(d) purchasing fixtures, seating, signs, computer systems, security systems and other equipment in accordance with equipment specifications and layout approved by us and, promptly after the Nowlogy Clinic premises are ready for occupancy, cause the installation thereof;

(e) keeping the Nowlogy Clinic constructed and equipped in accordance with the Design and Construction Plan, and ensuring that the Nowlogy Clinic conforms at all times to local ordinances, buildings codes, and laws;

(f) abstaining from, without our prior written consent, making any design conversion, alterations, or additions to the building, equipment, or parking area (if applicable);

(g) making repairs or replacements required: (i) because of damage or wear and tear, or (ii) in order to maintain the building and parking area in good condition and in conformity to the Design and Construction Plan;

(h) maintaining quantity of inventories of supplies, equipment and materials as is sufficient to meet reasonably anticipated customer demand;

(i) employing adequate personnel so as to operate the Nowlogy Clinic at its maximum capacity and efficiency and implementing a training program for employees in accordance with training standards and procedures prescribed by us and staffing the Nowlogy Clinic at all times during the Term of this Agreement with a sufficient number of trained employees including at least one (1) full-time Clinic Director (who may be the Operating Partner) who has, prior to becoming Clinic Director, successfully completed Initial Training;

(j) causing all employees of the Nowlogy Clinic, while working in the Nowlogy Clinic, to: (i) wear uniforms of such color, design, and other specifications as we may designate from time to time, (ii) present a neat and clean appearance, and (iii) render competent and courteous service to Nowlogy Clinic customers;

(k) purchasing all of your requirements for supplies, components, products and goods in accordance with our specifications and System Standards and, if applicable, from only our Approved Suppliers;

(l) participating in our gift card program, loyalty program, various membership programs, and any other promotional programs as further described in Section 12.11 of this Agreement;

(m) subject to Section 4.6, improving, altering and remodeling the Nowlogy Clinic to bring it into conformance with the national and local plans, specifications and/or other standards as may hereafter be reasonably changed and defined from time to time by us;

(n) permitting our representatives to conduct unannounced inspections of the Nowlogy Clinic at any time during normal business hours and remedying any issues identified therein at your expense;

(o) maintaining full and accurate records related to the Nowlogy Clinic, including but not limited to, records related to (i) Collected Revenue, sales and expenses; (ii) Personnel and employment files; (iii) workplace incident reports; (iv) any other records required by law; and (v) any records required under the Operations Manual;

(p) at your own expense, complying with all federal, state, and local laws, ordinances, and regulations affecting the operation of the Nowlogy Clinic. You must furnish to us, within two (2) days after receipt thereof, a copy of any violation or citation which indicates your failure to maintain local health or safety standards; and

(q) affixing a decal or placard to an exterior window or display containing the following statement “An Independently Owned and Operated Franchise of Nowlogy”. If we request, you must display prominently a “franchise opportunity” display to promote awareness of Nowlogy franchises;

(r) complying with any online or digital media ordering program, whereby your customers submit orders online or through a mobile application, if and when, developed and paying any fees or costs associated with participating in such program; and

(s) complying with all the terms of your lease and using your best efforts to maintain a good and positive working relationship with your landlord and/or lessor and refraining from any activity which may jeopardize your right to remain in possession of, or to renew the lease or sublease for, the Location.

11.2 Liability Insurance.

(a) Utilizing an Approved Supplier or insurance carrier acceptable to us, you are required to procure and maintain at all times the following insurance policies at your expense, which must additionally meet the standards and requirements set forth in the Operations Manual: (i) commercial general liability insurance and Medical Malpractice insurance against claims for bodily and personal injury, death, and property damage caused by or occurring in conjunction with the operation of the Franchise or your conduct of business pursuant to this Agreement; (ii) Workers’ Compensation or other employer’s liability insurance as well as such other insurance as may be required by statute or rule in the state in which your Franchise is located or operates; (iii) cyber liability/data privacy; (iv) property policy; (v) employer practices liability; (vi) business interruption insurance; and (vii) such other insurance policies as we may determine from time to time and as required by landlord and lenders.

(b) The cost of the insurance policies will vary depending on the insurance carrier charges, terms of payment and your history. The standards and specifications for insurance coverage as set forth in the Operations Manual are intended as “minimum” standards and you must review your insurance coverage and policies, and you should consult with your insurance agents, brokers, attorneys or other insurance advisors, to determine if additional coverage is necessary, desired or appropriate for your Franchise in addition to the coverage and limits required by us. If you fail to obtain or maintain the required insurance coverage, we may purchase it for you and charge you the premium, plus our costs, and require you to pay to us an administrative fee equal to twenty percent (20%) of the insurance policy premium for doing so. We may change these insurance requirements, upon reasonable notice to you, to conform to reasonable business practices. Each insurance policy required under the Operations Manual must contain a provision that the policy cannot be cancelled, amended, renewed or expired without at least thirty (30) days’ prior written notice to us. The insurance must be primary coverage without the right of contribution from any of our insurance. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide adequate coverage for you. The requirements of insurance specified in this Agreement and in the Operations Manual are for our protection. If you believe that you should not be required to carry an identified type of insurance or otherwise comply with our minimum insurance requirements, you must submit a written waiver request and obtain a waiver from us. Until such time as we notify you in writing of our approval, you are obligated to comply with all minimum insurance requirements. The policies must also contain a waiver of subrogation.

(c) Each insurance policy required under this Agreement and/or the Operations Manual must contain an endorsement approved in writing by us naming us as additional insureds and an additional insured endorsement approved in writing by us naming us, our affiliates and our respective officers, directors, managers, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or any other form approved in writing by us that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of us or other additional insureds. You shall maintain such additional insured status for us and the additional insureds outlined above on your general liability policies continuously during the Term.

(d) Your obligation to obtain and maintain the insurance policies in the amounts specified in the Operations Manual shall not be limited in any way due to any insurance that may be maintained by us, nor shall your procurement of required insurance relieve you of liability under the indemnification provisions set forth in this Agreement. Your insurance procurement obligations under this Section 11.2 and as specified in the Operations Manual are separate and independent of your indemnification obligations under this Agreement.

(e) Prior to the time any insurance is required to be carried by you, and thereafter prior to the renewal of any such policy, you must submit to us a copy of the certification of insurance evidencing such coverages that are required by this Section 11.2 and the Operations Manual. Within five (5) days after the policy is issued, you shall provide the declarations page for each of the required coverages, all additional insured endorsements and evidence of premium payment. Certificates of insurance alone are not acceptable. Our review and verification of certain elements of your insurance does not in any way reduce or eliminate your obligations to fully comply with all of the insurance requirements set forth in this Agreement and/or in the Operations Manual. It is your sole obligation to fully comply with these insurance requirements and it is your sole obligation to confirm with your insurance providers that your policies are in compliance.

11.3 Compliance with Laws. You will comply with all laws and regulations applicable to its Franchise, including all zoning laws, licensing and permitting requirements, corporate practice of medicine laws, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information for Economic and Clinical Health Act, or HITECH, anti-kickback laws (including the Federal Medicare Anti-Kickback law and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid), prohibitions on fee splitting and self-referral restrictions (including the federal “Stark Law” and similar state laws), payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid), and the Americans With Disabilities Act. Without limiting the foregoing, all Licensed Providers and other persons offering counseling, therapy, or other medical or health products or services at the Nowlogy Clinic must be properly licensed or otherwise permitted to provide such products and services under all applicable laws and regulations. Further, the Operating Manual may require that you take certain actions related to Medicare, Medicaid, and other government programs, in compliance with applicable laws and our standards.

11.4 Management Business. For those Nowlogy Clinic under the managed operation model, if you are not properly licensed or otherwise permitted to provide medical services as required by applicable state law, you must develop and operate a management business during the Term of the Franchise (the “Management Business”) that provides management, administrative, marketing, technology, and facility-based services, but not medical products, services, or advice, or judgment (the “Management Services”) to a Licensed Provider through a Nowlogy Clinic that is directly operated, and potentially owned, by the Licensed Provider. Only a Licensed Provider may directly offer and provide the medical products and services. You must enter into our Managed Services Addendum to Franchise Agreement in the form attached to the Franchise Disclosure Document as Exhibit K. You shall enter into a management services agreement (the “Management Agreement”), with the Licensed Providers to provide them with the Management Services and grant them a license to use the Names and Marks at the approved Nowlogy Clinic. You must hire your own attorney to independently evaluate, review, and prepare a Management Agreement that complies with all applicable laws, rules, and regulations, and which must be approved by us before execution and the opening of the Nowlogy Clinic. You shall pay Franchisor’s current nonrefundable Management Agreement review fee. You may not amend, modify, or terminate the Management Agreement during the Term of the Franchise without our approval.

11.5 Modification of System. You expressly acknowledge that the System must continue to evolve in order to reflect changing market conditions and to meet new and changing customer demands. Therefore, variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and to improve the continuing operating efficiency of all franchisees. Accordingly, you agree that we may from time to time, upon written notice, add to, subtract from or otherwise change the System, including, without limitation, adopting new or modified Marks, products, equipment and techniques and methods relating to the sale, promotion and provision of the products. We may also require you to make changes or updates and upgrades to your Nowlogy Clinic signage, displays and similar trade dress (“Trade Dress Upgrades”). You agree to promptly accept, implement, and use in the operation of the Franchise all such additions, modifications and changes at your sole cost and expense.

11.6 Evaluation and Analysis. We shall have the right to conduct unannounced inspections and otherwise inspect your Nowlogy Clinic at all reasonable times to ensure that your operation thereof is in compliance with System Standards. This right shall include: (a) evaluating the products, or (b) questioning your landlord, customers and Personnel from time to time and without prior notice. Our representatives will use reasonable efforts to minimize interference with the operation of the Nowlogy Clinic. If we reasonably determine that the Nowlogy Clinic is not being operated in compliance with this Agreement or the Operations Manual or that the Nowlogy Clinic is otherwise not being operated efficiently and effectively, then we may, at our discretion, place one (1) or multiple representatives at the Nowlogy

Clinic to oversee the operation of the Nowlogy Clinic. We will charge the Management Fee for such oversight.

11.7 Payment of Debts. You are solely responsible for selecting, retaining and paying your employees, the payment of all invoices for the purchase of goods for use in the Nowlogy Clinic, and determining whether, and on what terms, to obtain any financing or credit which you deem advisable or necessary for the conduct of the Nowlogy Clinic. You shall pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. We have the right, but not the obligation, to pay any such obligations or liabilities on your behalf. You shall indemnify us in the event that we elect to pay any of your liabilities and obligations in order to preserve the relationship between Approved Suppliers and System franchisees. You shall make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross receipts taxes, employee withholding taxes, FICA taxes, and personal property and real estate taxes, arising from your operation of the Nowlogy Clinic. You shall indemnify us in the event that we are held responsible for these taxes.

11.8 Notification of Legal Proceedings and Crisis Management Events. You will notify us in writing as soon as possible but in no event more than twenty-four (24) hours of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, of which you become aware and which may adversely affect the operation or financial condition of your Nowlogy Clinic. Upon the occurrence of a Crisis Management Event (defined below), you will immediately inform us by telephone and email (or other electronic medium authorized by us for this purpose). You will cooperate fully with us with respect to our response to the Crisis Management Event. In the event of the occurrence of a Crisis Management Event, we may also establish emergency procedures, which may require you to temporarily close the Nowlogy Clinic to the public, in which event we shall not be liable to you for any loss or costs, including consequential damages or loss profits occasioned thereby.

For purposes of this Section, a "Crisis Management Event " any event or business interruption that runs the risk of (1) escalating in intensity; (2) adversely impacting your Nowlogy Clinic's financial position; (3) causing harm to Customers, Personnel or the public or damage to their respective property or the environment; (4) falling under close media or governmental or regulatory scrutiny; (5) interfering with normal operations and wasting significant management time and/or financial resources; (6) adversely affecting Personnel morale; or (7) jeopardizing the Nowlogy Clinic, the Marks or the System's reputation, image, products, brand, intellectual property, or management and therefore negatively impacting its future. Without limiting the foregoing, a Crisis Management Event shall include [*], contagious diseases, natural disasters, terrorist acts, shootings, or any other circumstance, which may damage the System, Marks, or our image or reputation.

11.9 Press Releases. You will not issue any press release or conduct any interviews regarding your Nowlogy Clinic without our prior express written approval.

11.10 Contributions and Donations. You will not make any contributions or donations of items, services, or money to any individual or entity, or provide any type of other benefit to any charitable, religious, political, social, civic, or other type of organization (or to any individual on behalf on any organization) in the name of the Nowlogy Clinic or otherwise associate with any Mark, without our prior express written consent.

11.11 Market Tests/Surveys. Upon notice by us, you are required to participate in market tests or surveys. This may require you expend time and effort to: (1) respond to questions and provide information and data and statistics about the operation of your Nowlogy Clinic, customers, marketing and promotion efforts, or business partners; (2) test, evaluate and assess the quality of Services, products,

suppliers, vendors; or (3) provide feedback, opinions and comments on System Standards, the Brand Fund, our personnel, training, Operations Manual, technology or other components of the System.

11.12 Best Efforts and Personal Conduct. You shall refrain from committing any act or pursuing any course of conduct that tends to bring the Marks or System into disrepute. You shall use best efforts to promote and increase the demand for the products and Services of the Nowlogy Clinic. All of your advertising and promotion shall be completely factual and shall conform to the highest standards of ethical advertising. You shall refrain from any business or advertising practice which may be injurious to the Nowlogy Clinic or the goodwill associated with the Marks and System.

12. ADVERTISING AND PROMOTION.

12.1 Generally. All your advertising must conform to all provisions of this Agreement and the System Standards. All advertising, promotion and marketing must be completely clear and factual and not misleading and conform to the highest standards of ethical marketing and promotion policies that we prescribe from time to time. In no event will your advertising contain any statement or material which may be considered: (a) in bad taste or offensive to any group or person, (b) defamatory on any person or an attack on a competitor, (c) inconsistent with our public image, or (d) not in accord with System Standards. We have the right to direct all advertising and promotional programs and activities, and the right to control and approve all the concepts, materials and media used in such programs and activities. We may periodically provide you, at your expense, with consumer marketing plans and related materials for use at the local or regional level. We may periodically furnish you with samples of advertising, marketing and promotional formats and materials templates which you will then have the right to copy at your expense. We and our affiliates reserve the right to be the exclusive suppliers of the advertising materials used in the System. We may modify any of our advertising specifications on reasonable written notice to you. Samples of all advertising, promotional and marketing materials, or your proposed modifications to any of our specifications for advertising, which we have not prepared or previously approved within the last three (3) months must be submitted to us for approval before you use or modify them. Unless a shorter time period or alternative method is specifically set forth in this Agreement, if you do not receive our written disapproval or approval within fifteen (15) days after our receipt of such materials, the materials are deemed not approved. You must promptly discontinue use of any advertising, marketing or promotional plans, specifications or materials, whether or not previously approved, on notice from us. We reserve the right to require you to include certain language in your local advertising materials, such as “Franchises Available” and the addresses of our Website and phone number. You are required to work with us and our designated marketing agency for your Local Advertising Requirement.

12.2 Local Advertising. You are required to spend a minimum of One Hundred Twenty-Five Dollars (\$125) per each Qualified Clinician and Qualified Prescriber in the prior calendar month on approved local advertising and promotion in accordance with the parameters, specifications and standards outlined in the Operations Manual commencing in the second month after opening of your Nowlogy Clinic (the “Local Advertising Requirement”). The Local Advertising Requirement must be expended within your Territory. You acknowledge and agree that your Local Advertising Requirement must be expended regardless of the amount(s) spent by other Nowlogy Clinic franchisees on local advertising. You may spend any additional sums you wish on local advertising.

During the entire term of the operation of your Nowlogy Clinic you must use our designated marketing agency or affiliate which is our Approved Supplier for advertising to satisfy your Local Advertising Requirement. You may pay the Local Advertising Requirement directly to us and we will remit the fees to our marketing agency partner or you may pay the marketing agency partner directly. At a later time, we may, in our sole discretion, recommend, but do not require, you continue using our Approved Supplier to satisfy your Local Advertising Requirement.

You must submit your annual spending plan for the Local Advertising Requirement for approval no later than thirty (30) days prior to your fiscal year end date and as outlined in the Operations Manual, you must send us proof of these expenditures on a quarterly basis, or in any other manner as we may specify. We may increase the Local Advertising Requirement in our sole discretion upon thirty (30) days' advance written notice. We may require you to place advertising in specific media, such as print, social media and direct mail, and determine what percentages of your advertising should be allocated to each medium. You cannot use the following expenditures towards the Local Advertising Requirement: (a) grand opening advertising required under Section 12.3 below, or (b) telephone listings required under Section 12.9 below. You may count expenditures paid for Social Media Platforms or Social Media Materials towards your Local Advertising Requirement or grand opening advertising.

12.3 Grand Opening Advertising. You are required to spend a minimum of Thousand Dollars (\$1,000) from the period beginning no earlier than six (6) weeks prior to the opening of the Nowlogy Clinic and ending no later than sixty (60) days after the opening of the Nowlogy Clinic for advertising to promote the opening of the Nowlogy Clinic as prescribed in our Operations Manual. You may spend any additional sums you wish on grand opening advertising. You must submit an initial marketing plan outlining your grand opening advertising proposed spending which shall be subject to our approval in writing. All grand opening advertising shall be subject to our approval in writing. Grand opening advertising expenditures may include off-site events (with our consent), digital advertising, print advertising, grand opening events, and product giveaways, which we must pre-approve in writing. Proof of such expenditures (cancelled checks, paid invoices, bank transfers, credit card receipts) must be provided to us within ninety (90) days of the opening in the manner and form we require.

12.4 Brand Fund. Recognizing the value of advertising and marketing to the goodwill and public image of the System and the Franchises, we have established the Brand Fund for such advertising, marketing and public relations programs and materials we deem necessary or appropriate. We reserve the right to defer or reduce the Brand Fund for your Franchise and, upon thirty (30) days' prior written notice to you, to reduce or suspend contributions to and operations of the Brand Fund for one or more periods of any length and to terminate (and, if terminated, to reinstate) the Brand Fund. If the Brand Fund is terminated, all unspent monies on the date of termination will be distributed to our franchisees in proportion to their respective contributions to the Brand Fund during the preceding 12-month period.

12.5 Use of the Funds. We or our designee will direct all programs financed by the Brand Fund, including the creative concepts, materials and endorsements, and the geographic, market and media placement and allocation. You agree that the Brand Fund may be used to pay any and all costs of maintaining, administering, directing and preparing advertising and promotional activities, including, among other things, the costs of (a) preparing and producing video, e-commerce, website or software enhancements, audio and written advertising, marketing, or promotional materials; (b) professional service fees to our designer and other marketing professionals and salary costs of in-house marketing staff; (c) exploratory marketing and advertising campaigns whether or not ultimately acted upon; (d) operation or marketing techniques; (e) research and development of marketing materials; (f) administering regional and multi-regional advertising programs, including, without limitation, purchasing e-commerce rights, services, direct mail and other media advertising and employing advertising, promotional and marketing agencies; and (g) supporting public relations and market research. We reserve the right to include "Franchises Available" or similar language along with our contact information on any advertising purchased through the Brand Fund. The Brand Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at no cost, which you may duplicate at your own 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.

12.6 Accounting for the Fund. The Brand Fund will be accounted for separately from our other funds, but does not need to be in a separate account, and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the Brand Fund and its programs, including, without limitation, conducting market surveys, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the Brand Fund. We may spend on behalf of the Brand Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Franchises to the Brand Fund in that year, and the Brand Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the Brand Fund will be an asset of the Brand Fund. We are not required to provide franchisees with periodic accounting of the Brand Fund, including the fees paid into the by franchisees, but if we do prepare an accounting of the Brand Fund, it will not be audited and we will make it available to you upon your written request that must be submitted to us. We have the right to cause the Brand 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.

12.7 Brand Fund Limitations. You acknowledge that the Brand Fund is intended to maximize recognition of the Marks, Intellectual Property and patronage of Franchises. We undertake no obligation to ensure that expenditures by the Brand Fund in or affecting any geographic area are proportionate or equivalent to the contributions to the Brand Fund by Franchises operating in that geographic area or that any Franchise will benefit directly or in proportion to its contribution to the Brand Fund. 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 the Brand Fund.

12.8 Advertising Cooperatives. We have the right, in our sole discretion, to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative (“Cooperative”). We may also approve of the formation of a Cooperative by our franchisees. If a Cooperative has been established applicable to your Franchise at the time you open your Franchise, then you shall immediately become a member. If a Cooperative is established that is applicable to your Franchise at a later time during the Term, then you shall become a member no later than thirty (30) days after the date on which the Cooperative commences operations. If established:

(a) each Cooperative shall be organized, governed, and administered in a form and manner, and shall commence operation on a date, approved in advance by us in writing;

(b) each Cooperative shall be organized for the exclusive purposes of administering regional advertising programs and developing, subject to our approval, standardized advertising materials for use by the members in local advertising and promotion;

(c) each Cooperative shall have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the Cooperative by majority vote, but no greater than 2% of Collected Revenue, and your failure to make any such payments is a breach of this Agreement;

(d) each member shall submit to the Cooperative its contribution in the manner set forth in the Operations Manual or in the Cooperative’s bylaws, which must be approved in advance by us in writing; and

(e) you may offset your Local Advertising Requirement by any amounts paid by you to the Cooperative, but if the amount you contribute to a Cooperative is less than the Local Advertising Requirement, you must still spend the difference locally.

12.9 Telephone Directory Advertisements. At your expense, you must obtain a telephone number. Upon termination or expiration of this Agreement you will assign such telephone number to us. You must execute the Telephone Listing Agreement attached hereto as Exhibit F which will assign us all rights to your telephone number.

12.10 Advisory Council. We reserve the right to form a franchisee advisory council. Any advisory council created will act in an advisory capacity only and will not have decision making authority. We will have the right to form, change, merge and dissolve any advisory council at any time. If we create an advisory council, you will be required to participate in council-related activities and meetings and pay any dues assessed for the administration of the advisory council program. We have the right to set advisory council dues in our discretion. In addition to dues, if we create an advisory council, you will pay all costs and expenses you incur related to your participation, including travel, lodging and meals expenses for attending council meetings.

12.11 Promotional, Gift Card, Membership and Loyalty Programs. You must participate in, and comply with the requirements of, any gift card, gift certificate, customer loyalty, customer retention, or special promotional program that we implement for all or part of the System. You agree to sign the forms and take the other action we require for you to participate in these programs, including but not limited to, selling and offering for sale gift cards which may be redeemed at any Nowlogy Clinic as well as permitting customers who purchased gift cards online or from another Nowlogy Clinic or us to redeem their gift cards for products at your Nowlogy Clinic.

12.12 Photo/Video Release. You acknowledge and authorize us to use your likeness in a photograph or video in any and all of our publications, including printed and digital publications and on websites. You agree and understand that any photograph or video using your likeness will become our property and will not be returned. You agree and irrevocably authorize us to edit, alter, copy, exhibit, publish, or distribute any photograph or video of you for any lawful purpose. You agree and waive any rights to royalties or any other compensation related to our use of any photograph or video of you. You agree to hold harmless and forever discharge us from all claims, demands, and causes of action that you may have in connection with this authorization. For purposes of this Section, “you” shall refer to your Owners if you are a legal entity.

13. RELATIONSHIP OF THE PARTIES.

13.1 Independent Contractors. We do not have a fiduciary relationship with you. Neither you nor we are general or special agents, representatives, joint venturers, partners or employees of the other for any purpose whatsoever. You are not entitled to workers’ compensation, unemployment compensation, or any other statutory or regulatory benefit or right predicated on an employer-employee relationship. We have no obligation to carry workers’ compensation coverage or pay unemployment compensation taxes or withhold any amounts from payment to you for federal income taxes or for federal social security taxes, unless otherwise required by applicable laws and regulations. We have no obligation to provide you with any employment and fringe benefits that we may provide to employees, such as health insurance, for example. The foregoing also applies to any relationship with your Personnel. Neither this Agreement nor our course of conduct is intended, nor may anything in this Agreement (nor our course of conduct) be construed, to state or imply that we are the employer of any of your Personnel, nor vice versa.

13.2 Taxes. We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, payroll, property or other taxes, whether levied upon you or your Owners, in connection with the business you conduct (except any taxes we are required by law to collect from you with respect to purchases from us). Payment of all such taxes is your responsibility. In no event, however, you shall permit a tax sale or seizure by levy of execution or similar writ or warrant to occur against us.

14. INDEMNIFICATION

14.1 By You. You agree to indemnify, defend and hold harmless us, our affiliates and us and our affiliates' respective members, managers, directors, officers, owners, employees, agents, contractors, advisors, successors and assignees (the "Indemnified Parties") against and to reimburse any one (1) or more of the Indemnified Parties for all losses, expenses, judgments, settlements, claims, liabilities, attorneys' fees, costs (including, without limitation, expert witness fees, court costs, accountants' fees, travel and living expenses) and damages arising out of any claim directly or indirectly (i) related to the operation of your Franchise; (ii) related to on-site training, assistance or support provided to you by our employees or personnel; (iii) arising out of a breach of this Agreement or any other agreement with us or any of our affiliates; or (iv) any and all taxes described in this Agreement provided, however, that you shall not be required to hold harmless or indemnify us for any losses relating to any claim to the extent such losses arise out of our gross negligence or willful misconduct. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

14.2 By Us. We agree to hold harmless and indemnify you against any claim for copyright, service mark or trademark infringement, including reasonable attorneys' fees and court costs in connection with such claims, arising out of your authorized use of our materials, the Intellectual Property, or the Marks, provided, that such use was in accordance with the terms of this Agreement and the Operations Manual as determined by us in our sole discretion and you notify us in writing within ten (10) days, or within such shorter period as is necessary to avoid prejudice, after learning of any claim, and also provided we have the right to control any litigation or proceeding resulting from any such claim. If we exercise our right to control the litigation or proceeding, we will cease to reimburse you for any legal fees after the date of assumption of control.

Notwithstanding the above, the Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee's use of the tradename infringes trademark rights of the third party. We indemnifies you against the consequences of your use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, you must provide notice to us of any such claims within ten (10) days and tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim

15. REPORTS, FINANCIAL STATEMENTS, INSPECTIONS AND AUDITS.

15.1 Our Right to Inspect the Nowlogy Clinic. To determine whether you are complying with this Agreement and all System Standards, we and our designated agents have the right at any time when the Nowlogy Clinic is in operation or you or your Personnel are working at the Nowlogy Clinic to:

- (a) inspect the Nowlogy Clinic from time to time and without prior notice;
- (b) observe, photograph and videotape the operations of the Nowlogy Clinic, the production methods of your Personnel and any products provided thereby for such consecutive or intermittent periods as we deem necessary;

- (c) remove, or otherwise receive or obtain, samples of any products, materials, ingredients or supplies for testing, evaluation or analysis;
- (d) interview Personnel and customers of the Nowlogy Clinic; and
- (e) inspect and copy any books, records, computer data and documents relating to your operation of the Franchise.

You agree to cooperate with us fully in connection with any such inspections, observations, photographing, videotaping, product removal, service testing and interviews. You agree to present to your customers such evaluation forms that we periodically prescribe and to participate and/or request your customers to participate in any surveys performed by us or on our behalf. Our access to your EHS System and any other tablet or computer used for the Nowlogy Clinic includes access to any information or data stored which is related to the Nowlogy Clinic, including, but not limited to, (i) data stored in bookkeeping software; (ii) information in online bank accounts and credit card accounts used for the operation of the Nowlogy Clinic; and (iii) Customer Data. You must immediately correct or repair any unsatisfactory conditions we specify.

15.2 Our Right to Audit. We have the right at any time during your business hours, and upon twenty four (24) hours' prior notice to you, to inspect and audit, or cause to be inspected and audited, your Franchise, bookkeeping, accounting and invoicing records, sales and income tax records and returns, online bank accounts, online credit card accounts and any other records related to the Franchise. You agree to cooperate fully with our representatives and independent accountants we hire to conduct any such inspection or audit. If our 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, or if we determine that Collected Revenue or any other fees are understated by two percent (2%) or more, you agree to reimburse us for the cost of such inspection or audit, including, without limitation, the charges of attorneys, independent accountants, and employees and their travel expenses, room and board. You also must immediately pay us any shortfall in the amounts you owe us, including interest as described in Section 5.12. The foregoing remedies are in addition to our other remedies and rights under this Agreement and applicable law.

15.3 Books and Records. You shall establish and maintain, at your expense, a bookkeeping, accounting, and record keeping system conforming to the requirements prescribed by us from time to time including, but not limited to providing us (a) within fifteen (15) days after the end of each month, a balance sheet and profit and loss statement; and (b) within thirty (30) days after the end of the fiscal year a profit and loss statement, balance sheet, and cash flow statement for the immediately preceding fiscal year reflecting all year-end adjustments. We reserve the right to require that your annual financial statements be audited or reviewed, at your expense, by an independent certified public accountant approved by us. You shall furnish us with copies of all federal and state income and sales tax returns the Franchise files with respect to the Franchise's business income or sales within thirty (30) days after the date they are filed.

15.4 Distribution of Franchisee Information. You acknowledge and agree that we have the right to share any information about your Nowlogy Clinic collected by us or our affiliates or agents to any third party, including other franchisees, for any purpose. This information may include, but is not limited to, data regarding your sales, revenues, costs, taxes, profit margins or customer service survey results.

16. TRANSFER.

16.1 By Us. This Agreement is fully transferable by us and will inure to the benefit of any transferee or other legal successor to our interests. We may assign our interest in this Agreement, directly or indirectly, by merger, assignment, pledge or other means, without your approval or consent.

16.2 By You. We have granted the Franchise to you in reliance upon our perceptions of your and your Owners' individual or collective character, skill, aptitude, business ability and financial capacity. Accordingly, you may make no Transfer (as defined below) without our prior written approval. Any purported Transfer without such approval will be a breach of this Agreement and will entitle us to terminate this Agreement.

16.3 Definition of Transfer. As used in this Agreement, the term "Transfer" means you or your Owners' voluntary, involuntary, direct or indirect assignment, sale, gift, pledge, mortgage, disposal or other disposition of any legal or beneficial interest in: (a) this Agreement, (b) any material asset of the Franchise, or (c) more than twenty-five percent (25%) of the ownership interest in the Franchise entity, whether in the form of equity or voting interest (provided that a Transfer of less than twenty-five percent (25%) of an Owner's ownership interest in the Franchise entity, whether in the form of equity or voting interest, may occur in accordance with the requirements of Section 16.4 below). "Transfer" also includes (i) the merger or consolidation of your Franchise entity; and (ii) the issuance of additional securities or other ownership interests of the Franchise entity comprising more than twenty-five percent (25%) of the ownership interest whether in the form of equity or voting interest. It includes transfers resulting from proceedings under the U.S. Bankruptcy Code or any similar law, and transfers resulting from divorce.

16.4 Transfer of Less than 25% of Franchise Entity. Prior to the transfer of twenty-five percent (25%) or less of the total ownership interest in the Franchise by an Owner:

(a) the transferee and its Owners must meet or exceed the approval criteria applied to new franchisees of the System, including, without limitation, passing a background check and having sufficient business experience, aptitude and financial resources to operate the Franchise, all determined by us in our sole discretion;

(b) all transferring Owners and each Owner's spouse must sign a general release in the form attached to this Agreement as Exhibit A (or any other form required by us or as allowed under applicable law) of any and all claims against us and our affiliates and us and their respective members, owners, officers, directors, employees, consultants, advisors, and agents;

(c) we must have approved the material terms and conditions of such transfer and determined that the price and terms of payment will not adversely affect the operation of the Franchise;

(d) if applicable, the new Operating Partner and/or Clinic Director of the transferee must successfully complete our standard Initial Training program;

(e) the transferee and its Owners and their spouses must execute and agree to be bound by all the terms and conditions of the Guaranty, Restrictive Covenant Agreement and any other agreements reasonably required by us;

(f) you or the transferee pay us a transfer fee equal to fifteen hundred dollars (\$1,500);

(g) you reimburse us for any reasonable legal and administrative costs we incur in connection with the transfer outlined in this Section 16.4; and

(h) you have paid all amounts owed to us, our affiliates, Approved Suppliers, or to third-party creditors and have submitted to us all required reports and statements.

16.5 Notice of Transfer. You agree to notify us of any purported Transfer and provide us with any information we may reasonably request in order to permit us to evaluate such Transfer. If we do not

exercise our right of first refusal under Section 16.10, we agree not to unreasonably withhold our approval of a Transfer, provided you have complied with the conditions in Section 16.6. If we approve the Transfer, then you will be free, for thirty (30) days following such approval, to effect the Transfer approved by us.

16.6 Conditions for Approval of Transfer. If you are in full compliance with this Agreement, then subject to the other provisions of this Agreement, we will approve a Transfer that meets all the applicable requirements of this Section:

(a) the transferee and its Owners meet or exceed the approval criteria applied to new franchisees of the System, including, without limitation, passing a background check and having sufficient business experience, aptitude and financial resources to operate the Franchise, all determined in our sole discretion;

(b) you have paid all amounts owed for purchases from us or our affiliates and all other amounts owed to us or to third-party creditors and have submitted all required reports and statements;

(c) if applicable, the new Operating Partner and Clinic Director of the transferee completes our standard Initial Training program;

(d) the transferee has entered into our then-current form of franchise agreement and any required related agreements for a term ending on the expiration date of this Agreement and requiring no Initial Franchise Fee, provided, that if the Transfer is for an ownership interest in the Franchise, the transferee or transferees of such ownership interest, sign the Guaranty, Restrictive Covenant Agreement and any other related agreements reasonably required by us;

(e) the transferee agrees to upgrade the Franchise to conform to our then-current System Standards including making any Trade Dress Upgrades we require;

(f) you or the transferee pay us a transfer fee equal to (i) fifty percent (50%) of our then-current initial franchise fee for transfers to an existing Nowlogy Clinic franchisee or (i) seventy-five (75%) of our then-current initial franchise fee for transfers outside the System;

(g) you and all transferring Owners and each Owner's spouse have signed a general release in the form attached to this Agreement as Exhibit A (or any other form required by us or as allowed under applicable law) of any and all claims against us and our affiliates, and us and their respective members, owners, officers, directors, employees, consultants, advisors, and agents;

(h) we have approved the material terms and conditions of such Transfer and determined that the price and terms of payment will not adversely affect the transferee's operation of the Franchise;

(i) if you or your Owners finance any part of the sale price of the transferred interest, you and/or your Owners have agreed that all of the transferee's obligations pursuant to any promissory notes, agreements or security interests that you or your Owners have reserved in the Franchise are subordinate to the transferee's obligation to pay Royalty Fees, Brand Fund Contributions and other amounts due to us and otherwise to comply with this Agreement; and

(j) upon our request, you have agreed that you will provide guidance and support related to the operation of the Nowlogy Clinic and compliance of System Standards at the discretion of the transferee for a period of no less than thirty (30) days from the day the transferee satisfactorily completes all required training.

16.7 Transfer Upon Death or Disability. Upon the death or disability of an Owner owning a controlling interest in you, we may require you or such Owner (or such Owner's executor, administrator, conservator, guardian or other personal representative) to Transfer such interest to a third party. Such disposition (including, without limitation, transfer by bequest or inheritance) must be completed not more than one hundred and eighty (180) days from the date of death or disability. Such disposition will be subject to all of the terms and conditions applicable to Transfers contained in this Section 16. A failure to transfer the ownership interest of the deceased or disabled controlling Owner within this period of time constitutes a breach of this Agreement. For purposes of this Agreement, the term "disability" means a mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent an Owner of a controlling interest in you from managing and operating the Franchise.

16.8 Operation Upon Death or Disability. Upon the death or disability of your Operating Partner, you or your Operating Partner's executor, administrator, conservator, guardian or other personal representative must within a reasonable time, not to exceed fifteen (15) days from the date of death or disability, appoint a new Operating Partner with the authority to bind the Franchise who must be approved by us. Such Operating Partner will be required to complete Initial Training at your expense and must be approved by us. In the event the Nowlogy Clinic was being managed by the deceased or disabled Operating Partner and not a Clinic Director then, pending the appointment of an Operating Partner as provided above or if, in our judgment, the Franchise is not being managed properly any time after the death or disability of the Operating Partner, we have the right, but not the obligation, to appoint a manager to act as the clinic director for the Franchise. All funds from the operation of the Franchise during the management by our appointed manager will be kept in a separate account, and all expenses of the Franchise, including compensation, other costs and travel and living expenses of our manager, will be charged first to this separate account and then to your Nowlogy Clinic's general bank account. We also have the right to charge the Management Fee. Operation of the Franchise during any such period will be on your behalf, provided, that we only have a duty to utilize commercially reasonable efforts and we and our appointed manager will not be liable to you or your Owners for any debts, losses or obligations incurred by the Franchise or to any of your creditors for any products, materials, supplies or services the Franchise purchases during any period it is managed by our appointed manager.

16.9 Effect of Consent to Transfer. Our consent to a Transfer of this Agreement and the Franchise or any interest in you does not constitute a representation as to the fairness of the terms of any contract between you and the transferee, a guarantee of the prospects of success of the Franchise or transferee, a waiver of any claims we may have against you (or your Owners) or of our right to demand the transferee's exact compliance with any of the terms or conditions of this Agreement.

16.10 Our Right of First Refusal. If you or any Owner receives a bona fide arm's length offer to purchase its interest in this Agreement, in any material assets of the Franchise or in the Franchise entity or you or any Owner proposes to Transfer any interest in this Agreement, in any material assets of the Franchise or in the Franchise entity, in whole or in part, to a person other than an entity of which your Owners are the sole owners, shareholders, members, or partners, you must first offer to sell said interest and/or asset(s) to us. You must provide us the terms of the offer received or made by you and we shall have three (3) months after notice, to purchase the transferred interest, valued at eighty (80) percent of the Clinic's previous years' Collected Revenue provided that we may substitute cash in place of any finance terms. If we fail to accept the offer within the thirty (30) day period, you are free to effect the disposition described in the statement upon the exact terms set forth in the statement delivered to us, provided, that nothing in this Section may be interpreted as limiting the requirements of this Agreement relating to transfer of rights under this Section 16. If the sale to such transferee is not completed within one hundred twenty (120) days after delivery of such offer to us, or if there is a material change in the terms of the sale (which you agree promptly to communicate to us), we will have an additional right of first refusal during the thirty (30) day period following either the expiration of such one hundred twenty (120) day period or notice to us

of the material change(s) in the terms of the sale, either on the terms originally offered or the modified terms, at our option. Furthermore, if you are insolvent, or upon the filing of any petition by or against you under provisions of any bankruptcy law, we have the first right to purchase the Franchise, for the amount and pursuant to terms established by an independent appraiser selected by us. Unless such sale is to us or a Nowlogy Clinic franchisee, all Marks must be removed and completely de-identified from any assets sold to a third party and the real estate de-identified of all Marks and trade dress.

16.11 Waiver of Interference Claims. You acknowledge that we have legitimate reasons to evaluate the qualifications of potential transferees and to analyze and critique the terms of their purchase contracts with you. You also acknowledge that our contact with potential transferees for the purpose of protecting our business interests will not constitute wrongful conduct, including without limitation, unlawful interference with your business or contracts. You expressly authorize us to investigate any potential transferee's qualifications, to analyze and critique the proposed purchase terms with the transferee, and to withhold consent to economically questionable transactions. Without limitation of the foregoing, you waive any claim that any action we take in relation to a proposed transfer to protect our business interests constitutes tortious interference with contractual or business relationships.

17. RESTRICTIVE COVENANTS.

17.1 Confidential Information. During the Term, we will give you, and you will have access to, a variety of information concerning us, our affiliates, our suppliers, our business and the System including, without limitation: the Operations Manual; System Standards; HIPAA related information from clients; products and Services; the Intellectual Property; methods for operating, managing and developing the Franchise; sales, distribution, performance, methods, techniques, equipment or supplies; recruitment, training, coordination, marketing or compensation methods; reporting methods, and techniques; advertising, marketing, promotion, recruitment, human resourcing, training, sales and merchandising strategies, techniques and initiatives; any related underlying materials, analyses, compilation, forecasts, research or market studies; our prototype and layout of our Nowlogy Clinic and our product display; proprietary software (if applicable); customer lists; Client Data; referral sources; billing and collection methods; training materials; know-how; procedures and methods of food preparation; financial information; Computer System; other information about us and information about our Approved Suppliers; strategic partners, franchisees, business plans, employees, and independent contractors (collectively, the "Confidential Information"). We consider the Confidential Information to be confidential and our trade secrets. You acknowledge that we and our affiliates have expended and continue to expend great amounts of time, money and effort in devising and processing the Confidential Information.

17.2 Restrictions On Use. You will use your best efforts and diligence both during and after the Term to protect the Confidential Information and our goodwill. You will not, directly or indirectly, use (for yourself or others) or disclose any of the Confidential Information to any other person or entity except as is necessary for the operation of your Nowlogy Clinic in accordance with our System Standards.

17.3 Mandatory Requests for Information. If you or anyone to whom you transmit the Confidential Information becomes legally compelled (by court order, interrogatories, discovery requests for information or documents, subpoenas, civil investigative demands or similar process) to disclose any Confidential Information, you must immediately notify us in writing so that we may seek a protective order or other remedy. You will reasonably cooperate with us in our efforts to seek such protective order or other remedy. In any event, you will furnish only that portion of the Confidential Information which is legally required and exercise your best efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information.

17.4 Return. Upon termination, expiration or non-renewal of this Agreement, or any other time at our request, you must promptly deliver to us, or destroy at our request, any and all documents or other materials (including documents or notes created by you and information embodied in intangible form, e.g., in computer memory) in your possession or control relating, directly or indirectly, to any Confidential Information and all copies of it without retaining any copies, duplicates, extracts or portions of it. Your Operating Partner shall certify, within five (5) days of our request, as to the return or destruction of all such information.

17.5 In-Term – Competitive Activities. You acknowledge our legitimate business interest in the Confidential Information and goodwill associated with our System. You covenant that during the Term of this Agreement, except as otherwise approved in writing by us, you and each of your Owners, Operating Partner, Clinic Director and each of your Owner’s spouses shall not, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on your own account).

(a) Divert or attempt to divert any business or customer to any competitor, by direct or indirect inducement or otherwise, to do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks, Intellectual Property and the System; or

(b) Own, maintain, engage in, be employed by, lease real estate to, finance, or have any interest in any business, clinic, program, or other venture that holds itself out as providing outpatient counseling or therapy products or services (other than a Franchise under an effective Franchise Agreement with us).

17.6 Post-Term Competitive Activities. For a period of thirty (30) months following the expiration or termination of this Agreement for any reason, unless we otherwise permit in writing, you shall not, directly or indirectly (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on your own account):

(a) Participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell the Services, products or similar products or services, or contribute your knowledge to, or have any financial interest in, any work or activity that relates to or involves any of the Confidential Information or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating or selling business, clinic, program, or other venture that holds itself out as providing outpatient counseling or therapy products or services. (a “Competitive Business”): (i) within the Territory, (ii) within any geographic territory that we have assigned to a Franchise or in which we directly operate, market or sell, (iii) via the Internet or other form of e-commerce, wherever located, or (iv) within twenty-five (25) miles of the Territory or any protected area described in clause (ii) above in existence or under development as of the end of the Term;

(b) Induce or attempt to induce, or solicit any of our or other Nowlogy Clinic’s strategic partners, customers, referral sources, brokers, Personnel or other independent contractors to accept employment or an affiliation with you; or

(c) Solicit, divert, contact, take away or interfere with any of our business, customers, referral sources, brokers, insurers, suppliers, trade or patronage with whom we (or our affiliates or franchisees) do business or whom you know we have contacted or solicited for business relationships, or those of any of our affiliates or franchisees, as of the date of termination or expiration of this Agreement.

17.7 Non-Disparagement. You agree not to take any action or make any statement the effect of which would be to directly or indirectly impair our goodwill or our rights to our Intellectual Property or

the goodwill of our affiliates, or be materially detrimental to us, our affiliates, any company or affiliate owned Nowlogy Clinic or our franchisees or other Franchises, including, but not limited to, any action or statement intended, directly or indirectly, to benefit any of our competitors. This provision survives forever.

17.8 Equitable Relief. Due to our and our affiliates' interest in the Confidential Information and customer goodwill, you agree that damages cannot fully compensate us if you breach this Section 17 of this Agreement. Thus, if you breach Section 17 of this Agreement, we are entitled to an injunction restraining you from any further breach and other equitable relief. We may obtain the injunction without bond and without notice. Your only remedy if such an injunction is issued is its dissolution, if warranted, upon an appropriate hearing. You waive any claims for damages as a result of the obtaining of any such injunction.

17.9 Extension of Time Period. The time period during which you are to refrain from the activities described in this Section, will be extended by any length of time during which you are in breach of the relevant provisions of this Section 17.

17.10 Modification of Provision. If any court determines that any of the covenants set forth in this Section 17, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. Furthermore, if any of the restrictions set forth in Sections 17.5 or 17.6 are deemed entirely unenforceable or invalid under any local, state or federal law, rule, regulation, administrative decision or finding, then you will not be bound by such unenforceable or invalid provision(s), as the case may be, but you shall continue to be bound by all other provisions of these Sections which are valid and enforceable.

18. TERMINATION.

18.1 By Franchisee. You may not terminate this Agreement prior to the expiration of its Term except in the event we commit a material breach of this Agreement and we fail to take steps to cure such material breach within ninety (90) days from the date of receipt of such written notice from you specifically enumerating all alleged deficiencies by us.

18.2 By Franchisor - Non-Curable Defaults. We may, at any time, terminate this Agreement effective immediately upon written notice if you or any of your Owners:

(a) either (i) fail to observe or comply with the requirements of Section 16 in connection with any sale, assignment or Transfer, or (ii) make a material misrepresentation in any Transfer request or document in support of a request for our consent to the Transfer of this Agreement;

(b) do not commence operations in accordance with the timeline outlined in Section 4.4 of this Agreement;

(c) fail to arrange for the purchase or lease of a suitable Location within sixty (60) days of the Effective Date.

(d) abandon or fail to operate the Franchise for three (3) consecutive business days during which you are required to operate the Franchise under the terms of this Agreement or the Operations Manual, or any shorter period after which it is not unreasonable under the facts and circumstances for us to conclude that you do not intend to continue to operate the Franchise (unless such failure to operate is due to fire, flood, earthquake, or similar causes beyond your control);

- (e) violate or breach any provision of Section 10 or Section 17 of this Agreement;
- (f) become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; are adjudicated bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless a supersedeas bond is filed); if you are dissolved; if execution is levied against your Franchise or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within thirty (30) days; or if the real or personal property of the Franchise shall be sold after levy thereupon by any sheriff, marshal, or constable; or
- (g) fail to successfully complete Initial Training and you fail to submit a replacement for such person or fail to attend Additional Training, Mandatory Remedial Training, Required Conferences or other Continuing Training two (2) or more times during the Initial Term of this Agreement;
- (h) have any judgment or judgments aggregating in excess of ten thousand dollars (\$10,000) levied against you or any lien in excess of ten thousand dollars (\$10,000) against your property which remains unsatisfied or unbonded of record in excess of thirty (30) days;
- (i) cause, suffer, or permit (voluntarily or involuntarily) your right of possession as lessee or sub lessee of the premises on which the Nowlogy Clinic is located to be terminated prematurely for any cause whatever;
- (j) knowingly sell services and products other than those designated by us or which fails to conform to System specifications for those Services and products;
- (k) knowingly fail to report accurately the Collected Revenue of the Franchise; or you commit any act or omission constituting fraud, misrepresentation or similar act or omission, whether with respect to us, any related entities and/or any third party;
- (l) (i) default, on two (2) or more separate occasions within any period of twelve (12) consecutive months, in any obligation(s) (whether the same or different), whether or not such defaults are timely corrected, to us, any of our affiliates, a Cooperative, or any of your suppliers, vendors, brokers, landlords, or other third parties; (ii) commit any default, or violate any material obligation to us, any of our affiliates, or a Cooperative, which is incurable whether under this Agreement, the Operations Manual, any other agreement with us, any of our affiliates, a Cooperative, or any of your suppliers, vendors, brokers, landlords, or other third parties, or otherwise; or (iii) commit any material default, or violate any material obligation to any of your suppliers, vendors, brokers, landlords, or other third parties which remains uncured after any applicable cure period.
- (m) engage in any misconduct which unfavorably affects your reputation or that of any of your Owners or the goodwill associated with the Marks or the System (including, but not limited to, child abuse or other mistreatment, health or safety hazards, drug or alcohol problems, sexual harassment, discrimination or allowing unlawful activities or unauthorized or illegal items to be used or distributed in connection with the Franchise);
- (n) are convicted by a trial court of, plead no contest or enter into a consent decree in connection with any violation of the rules or regulations of franchise laws, federal or state securities laws,

or any felony or any other crime or offense that is likely to adversely affect your reputation, our reputation or otherwise involving any fraud or breach of trust, or to any crime or offense that may adversely affect the reputation of the goodwill associated with the Marks or the System; or

- (o) fail to pay any taxes when due which you are not contesting in good faith.

18.3 By Franchisor - Curable Breaches. The occurrence of any of the following events shall constitute a curable default under this Agreement. You may cure such default by taking appropriate remedial action within a prescribed time after we demand remedial action. Unless you cure such default before the end of the indicated remedial period, we may terminate this Agreement or take any other actions as this Agreement permits effective immediately if you or any of your Owners:

- (a) submit a financial report or other data, information or supporting records which understate by more than two percent (2%) the Franchise's Collected Revenue, or other fees due for any reporting period, and you are unable to demonstrate within five (5) business days that such understatements resulted from an inadvertent error;

- (b) fail to maintain and operate the Nowlogy Clinic in a good, clean, wholesome manner and in compliance with the System Standards, and fail to cure such breach within five (5) business days after written notice;

- (c) deny, our representative or our designees the right to inspect the Nowlogy Clinic at reasonable times and fail to cure such breach within three (3) business days after such denial;

- (d) provide services or sell products which fail to conform to System Standards and fail to cure such breach within twenty-four (24) hours after written notice;

- (e) fail to operate the Nowlogy Clinic in accordance with the Operations Manual, or fail to conform to our specifications and standards, or fail in any other way to maintain our standards of quality in the operation of the Nowlogy Clinic and fail to cure such breach within thirty (30) calendar days after written notice;

- (f) fail to remit any payments immediately when due to us or an affiliate of ours and fail to cure such breach within five (5) days after written notice;

- (g) fail to remit any payments immediately when due to a supplier, vendor, broker, landlord, a Cooperative, or any other third party owed by the Franchise and fail to cure such breach within ten (10) days after written notice;

- (h) fail to submit to us any financial, reports or other information required under this Agreement and fail to cure such breach within ten (10) business days after written notice;

- (i) fail to maintain the required insurance and fail to cure such breach within seven (7) business days after written notice;

- (j) interfere with our ability to access information on the Software or if you close or interfere with our ability to access the account used to electronically transfer Qualified Clinician System Fee, Brand Fund Contributions and other payments, and fail to cure such breach within five (5) business days after written notice;

(k) operate the Nowlogy Clinic in a manner that presents a health, sanitation or safety hazard to your customers, employees, or the public or you receive a report from a customer or government agency regarding same, which is not cured within twenty-four (24) hours after written notice;

(l) fail to obtain or to maintain any required licenses or fail to comply with any federal, state, or local law or regulation applicable to the operation of the Nowlogy Clinic, including those laws or regulations governing minors, health, practice of medicine, licensing, permitting, safety, and/or sanitation, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information for Economic and Clinical Health Act, or HITECH, anti-kickback laws (including the Federal Medicare Anti-Kickback law and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid), prohibitions on fee splitting and self-referral restrictions (including the federal “Stark Law” and similar state laws), payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid), and the Americans With Disabilities Act; and fail to cure such breach within five (5) business days after written notice; or

(m) any of your Licensed Providers are suspended, disciplined, or reprimanded by any governmental agency or licensing board pursuant to a final judgment, hearing, order, or ruling and you fail to terminate such Licensed Provider or otherwise fails to cure such default to our satisfaction within ten (10) days after written notice;

(n) to the extent not covered by Sections 18.2 or 18.3, breach any other obligation, covenant or representation under this Agreement (other than the non-curable defaults described in Section 18.2 above) and fail to remedy such breach within thirty (30) days after written notice from us specifying the breach alleged to have occurred and the action to be taken by you curing the same, including but not limited to: (i) your failure to operate the Nowlogy Clinic in accordance with the Operations Manual and/or other manuals, (ii) your failure to conform to our System Standards, or failure in any other way to maintain our standards of quality in the operation of the Franchise, (iii) your taking for your own personal use any assets or property of the Franchise, (iv) you acting in any inappropriate manner towards any employee or other Personnel, or (v) you failing to make payroll.

18.4 Cross Defaults, Non-Exclusive Remedies, Etc. Any default by you (or any person/company affiliated with you) under this Agreement may be regarded as a default under any other agreement between us (or any affiliate of ours) and you (or any of your affiliates). Any default by you (or any person/company affiliated with you) under any other agreement, between us (or any of our affiliates) and you (or any person/company affiliated with you), and any default by you (or any person/company affiliated with you) under any obligation to us (or any of our affiliates), or Cooperative may be regarded as a default under this Agreement unless specifically agreed otherwise in writing. Any default by you (or any person/company affiliated with you) under any loan agreement, security agreement, lease, supply or service agreement or otherwise, whether with us, any of our affiliate and/or any third party which is not cured by the time period specified in such agreement may be regarded as a default under this Agreement and/or any other agreement between us (or any of our affiliates) and you (or any of your affiliates).

In each of the foregoing cases, we (and any of our affiliates) will have all remedies allowed at law, including termination of your rights (and/or those of any person/company affiliated with you) and our (and/or our affiliates’) obligations. No right or remedy which we may have (including termination) is exclusive of any other right or remedy provided under law or equity and we may pursue any rights and/or remedies available.

18.5 Rights upon Default. Except in the case of death or disability which is governed by Section 16.7 and 16.8 hereof, if we determine in our sole judgment that the operation of your Franchise is in jeopardy, or if you are in default under this Agreement, then in order to prevent an interruption of the Franchise which would cause harm to the System or potentially lessen the value of the Franchise, you

authorize us to operate your Franchise for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement (“Step-In Rights”). We shall keep in a separate account all monies generated by the operation of your Franchise, less the expenses of the Franchise, including the Management Fee. If this separate account does not have sufficient funds then we may deduct our expenses, including the Management Fee and the reasonable attorneys’ fees and costs described below, from your Franchise’s general operating bank account. In the event of the exercise of the Step-In Rights by us, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys’ fees and costs incurred as a consequence of our exercise of our Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including, without limitation, termination.

18.6 Obligations Upon Termination/Expiration. Upon any expiration or termination of this Agreement for any reason, you must, at your cost and expense:

(a) immediately cease providing the Services and selling the products using any of the Confidential Information, the Intellectual Property and the Marks and immediately return to us (or destroy upon our request) all of your copies of any materials containing any of the Confidential Information or any materials bearing the Intellectual Property or the Marks, including without limitation, the Operations Manual;

(b) upon our request, cooperate in assigning to us or to a person or entity designated by us any and all vendor agreements or sales or service contracts for the products with customers (as applicable) of your Franchise, which will be automatic at our option as a result of the termination or expiration;

(c) immediately cease all use of our Marks and Intellectual Property including any marketing or advertising materials, flyers, business cards, brochures and immediately cease holding yourself out to the public as associated with us in any way including de-identifying the Nowlogy Clinic by removing all trade dress, signs or other items bearing our Marks and other Intellectual Property;

(d) immediately cease using all Social Media Platforms and return to us all Social Media Materials, e-names and passwords and do all things necessary to permanently remove your administrative access to any Social Media Platforms;

(e) immediately terminate your access to the e-commerce activities we designate and assign to us all telephone numbers, e-name and directory listings associated in any way with the Franchise and our Marks, and direct the telephone company to transfer all such numbers and listings to us or our designee pursuant to the Internet Websites, Digital, Social Media and Listing Agreement attached hereto as Exhibit E and Telephone Listing Agreement attached hereto as Exhibit F;

(f) immediately pay us all unpaid fees and pay us, our affiliates, and our Approved Suppliers, all other monies owed; and

(g) comply with the post-termination covenants set forth herein, all of which will survive the transfer, termination or expiration of this Agreement and cease any and all contact with customers, suppliers, vendors, employees or our agents without our prior written consent.

Alternatively, we may elect in our sole discretion, to undertake the obligations set forth in subsection (a)-(g) above and charge you for our costs and expenses. You hereby appoint us as your duly appointed agent and attorney-in-fact with the absolute right (but not the obligation) to perform the acts specified in this

Section at your sole cost and expense including, without limitation, the right to execute any assignments or contracts or file any documents with any third parties necessary to effectuate these obligations. The appointment of us as your agent and attorney-in-fact for the purposes set forth herein is declared and acknowledged to be coupled with an interest and is irrevocable. The grant of power of attorney herein shall include full powers of substitution. The telephone company, postal service, registrar, Internet Service Provider, listing agency, website operator, or any other third party may accept such direction by us pursuant to this Agreement as conclusive evidence of our rights to the Identifiers and our authority to direct their transfer.

18.7 Right to Purchase Assets. If this Agreement expires or is terminated by either party for any reason whatsoever, then we have the right, but not the obligation, to purchase your Franchise, including supplies, inventory and equipment, and all other assets owned by you in your Franchise and to acquire your lease or other contract rights (hereinafter referred to in this provision as the “Franchise Assets”) at book value (cost less depreciation, with depreciation being determined by the shorter of (a) five (5) years; or (b) the time period used by you in connection with the preparation of the financial statements for your Franchise) without considering any value for goodwill associated with the name “Nowlogy Clinic.” We will have the right, but not the obligation, to purchase any or all of the Franchise Assets from you for cash within thirty (30) days after the occurrence of the event triggering our right of first refusal to purchase the Franchise Assets. Nothing in this provision may be construed to prohibit us from enforcing the terms and conditions of this Agreement, including the covenants not to compete contained in Section 17.

19. NOTICE. All notices, requests, consents and other communications required hereunder shall be in writing and shall be duly given if hand delivered and a signed receipt obtained, sent by registered or certified mail, postage prepaid, return receipt requested, sent by overnight express type service, or sent by telecommunication with confirmed delivery, including electronic mail, addressed:

If to us:

Nowlogy Franchising, LLC
1303 South Frontage Road, Suite 150,
Hastings, MN 55033
Tel. 651.505.3273
Attn: Dr. Amelia Paquin

with a copy to:

Fox Rothschild, LLP
Attn: Eleanor Gerhards, Esq.
980 Jolly Road, Suite 110
Blue Bell, PA 19422-3001
Tel. 215-918-3642
Email: egarhards@foxrothschild.com

If to you, to the address and email indicated on Schedule I to this Agreement. In the alternative, notice shall be sent to such other address as you or we shall have specified in a written notice given to the other party. Each such notice shall be deemed delivered (a) on the date delivered, if by personal delivery; (b) one (1) day after notice is sent, if by overnight express type service; (c) on the date of transmission by telecommunication with confirmed delivery, if by electronic mail or other electronic method; and (d) on the first occurring of: (i) three (3) business days after mailing, postage prepaid, or (ii) the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not

deliverable, as the case may be, if mailed. Any notice provided by electronic mail or other electronic method shall be confirmed by one (1) of the delivery methods listed under subsection (a), (b), or (d) although this shall not affect the time notice is deemed given hereunder.

20. BUSINESS ORGANIZATION.

20.1 You must be a business organization (like a corporation, limited liability company or partnership) (a “Business Entity”). You agree and represent that:

(a) You have the authority to execute, deliver and perform your obligations under this Agreement and are duly organized or formed and validly existing in good standing under the laws of the state where you are located and of your incorporation or formation;

(b) Your organizational or governing documents will recite that you will only conduct the business of a Nowlogy Clinic and no other, the issuance and transfer of any ownership interests in you are restricted by the terms of this Agreement, and all certificates and other documents representing ownership interests in you will bear a legend referring to the restrictions of this Agreement;

(c) At our request, you will furnish true and correct copies of all documents and contracts governing the rights, obligations and powers of you, your Owners and your agents (like articles of incorporation or organization and partnership, operating or shareholder agreements); and

(d) Your entity name does not include the words: “Nowlogy Clinic”.

21. DISPUTE RESOLUTION.

21.1 Governing Law. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 and the sections following it) or other federal law, this Agreement and the Franchise shall be enforced and governed by and under the substantive law of the State of Minnesota, without regard to the choice of law rules, unless otherwise provided herein. We will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that you as franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of this Agreement. Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.

21.2 Jurisdiction. Except as otherwise set forth herein, the exclusive venue and exclusive forum for all disputes between the parties shall only be any court of general jurisdiction located in Minnesota and/or the United States District Court for the State of Minnesota, and each party hereby submits to the exclusive jurisdiction of those courts for purposes of any such proceeding.

21.3 Internal Dispute Resolution. You must first bring any claim or dispute between you and us to our CEO, after providing notice as set forth in Section 19 above. We must respond to your notice inquiry within ten (10) business days of receipt or otherwise it is deemed denied (“IDR”). You must exhaust this internal dispute resolution procedure before you may bring your dispute before a third party. You agree that we have sixty (60) days to attempt to resolve your claim or dispute with IDR (the “IDR Period”) and the parties shall use commercially reasonable efforts to resolve the dispute via IDR during the IDR Period. This agreement to first attempt resolution of disputes internally through IDR will survive termination or expiration of this Agreement.

21.4 Mediation. At our sole discretion, any disputes and claims arising out of or relating to this Agreement, the rights and obligations of the parties hereto, third-party beneficiaries, and/or any guarantors and/or transferees of this Agreement, or any claims between any of the above listed parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement or that is any way related to your Franchise, may be submitted to non-binding mediation conducted before a sole neutral mediator referred by the American Arbitration Association (“AAA”) in accordance with its Commercial Mediation Procedures. Mediation will be conducted in State of Minnesota. The parties shall each bear all of their own costs of mediation; provided, however, the fees of the mediator shall be divided equally between you and us. The mediator will be disqualified as a witness, expert or counsel for any party with respect to the dispute and any related matter. Mediation is a compromise negotiation and will constitute privileged communications under the law governing this Agreement. The entire mediation process will be confidential and the conduct, statements, promises, offers, views and opinions of the mediator and the parties will not be discoverable or admissible in any legal proceeding for any purpose; provided, however, that evidence which is otherwise discoverable or admissible will not be excluded from discovery or admission as a result of its use in the mediation. We will notify you of our election to submit any dispute to non-binding mediation within thirty (30) days of the end of the IDR Period or at the time we provide you with notice of a dispute, claim, or alleged cause of action, as applicable.

21.5 Arbitration. At our sole discretion, any disputes and claims arising out of or relating to this Agreement, the rights and obligations of the parties hereto, third-party beneficiaries, and any guarantors and/or transferees of this Agreement, or any claims between any of the above listed parties, or any other claims or causes of action relating to the making, interpretation, or performance of either party under this Agreement or that is in any way related to the Franchise, may be resolved by submission to binding arbitration by and before a neutral attorney with substantive background in franchising referred by AAA and selected by the parties in accordance with the Federal Arbitration Act (“FAA”) and the then-existing Commercial Arbitration Rules of the AAA. All hearings and other proceedings will take place in State of Minnesota. We will notify you of our election to submit any dispute to arbitration within thirty (30) days of a non-binding mediation determination pursuant to Section 21.4 above, or if we do not elect mediation under Section 21.4, within (i) thirty (30) days after the end of the IDR Period; or (ii) at the time we provide you with notice of a dispute, claim, or alleged cause of action, as applicable.

(a) The following shall supplement and, in the event of a conflict with any law or rule, including but not limited to the AAA Commercial Arbitration Rules, shall govern any dispute submitted to arbitration. The parties shall select one (1) arbitrator from the proposed list of arbitrators provided by the AAA, as applicable, who must have a substantive background in franchising. If the parties are unable to agree upon an arbitrator, each party to the dispute shall have fifteen (15) days from the transmittal date of the proposed list in which to strike names objected to, number the remaining names in order of preference, and return the list to the AAA. If a party does not return the list within the time specified, all persons named therein shall be deemed acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the AAA, as applicable, shall invite the acceptance of an arbitrator to serve. If the parties fail to agree on any of the persons named, or if acceptable arbitrators are unable to act, or if for any other reason the appointment cannot be made from the submitted lists, the process of submitting lists shall continue until a suitable arbitrator is selected. In all aspects of conducting the arbitration and in rendering his or her decision, the arbitrator shall enforce and apply the substantive laws of the State of Minnesota for interpretation of this Agreement, without regard to the choice of law rules. The parties may conduct one seven-hour discovery deposition of a designated representative of the opposing party. Any party wishing to take such a deposition must describe with reasonable particularity, in the notice of deposition, the matters to be inquired into at the deposition, and the party producing the designated representative must designate one (1) or more officers, directors, or managing agents who consent to testify on its behalf. No other discovery depositions shall occur, unless the arbitrator find such additional depositions to be necessary after written request and an opportunity to be heard. Each

party shall be permitted up to ten (10) interrogatories and reasonable requests for production of documents. Each party shall be entitled to file a motion to dismiss, a motion for summary judgment and reasonable motions in limine. The arbitrator shall permit a responding party a reasonable period of time to respond in writing to any such motions. The arbitrator shall apply the Federal Rules of Evidence at the hearings. The arbitrator's award shall include an award of pre-hearing interest from the date upon which any damages were incurred, and from the date of the award until paid in full, at a rate to be fixed by the arbitrator, but in no event less than one and one-half percent (1.5%) per month, or part of a month (unless a lower rate is required by law). The prevailing party shall be entitled to recover from the non-prevailing party all costs of arbitration, including, without limitation, the arbitrator's fee, interest, and costs of investigation. In addition, the prevailing party shall be entitled to an award of its reasonable and necessary attorneys' fees. The arbitration hearings shall be completed within one hundred and fifty (150) days of the filing of the arbitration demand, unless the arbitrator, for good cause, must extend this deadline.

(b) The arbitrator shall have no authority to amend or modify the terms of the Agreement. To the extent permitted by applicable law, no issue of fact or law shall be given preclusive or collateral estoppel effect in any arbitration hereunder, except to the extent such issue may have been determined in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the United States District Court for the State of Minnesota, or any other court of general jurisdiction located in State of Minnesota and, if confirmed, may be subsequently entered and/or docketed, including as a judgment, in any court having competent jurisdiction. Similarly, any appeals from and/or relating to any arbitration which may be brought in accordance with this Section 21.5 shall be heard before the United States District Court for the State of Minnesota, or any other court of general jurisdiction located in Minnesota.

(c) The arbitration provisions of this Agreement shall survive any termination or expiration of this Agreement.

21.6 Injunctive Relief. Nothing contained in this Agreement shall prevent us from applying to and/or obtaining, from any court having competent jurisdiction, a writ of attachment, injunctive relief, including without limitation a temporary injunction or preliminary injunction, and/or other emergency relief available to safeguard and protect our interests. We may seek injunctive relief, without bond if determined by the court of competent jurisdiction that a bond is not required, against you restraining the unauthorized use of any Mark or copyrighted materials, or the unauthorized use or disclosure of our confidential information.

21.7 Third Party Beneficiaries. Our affiliates, any Cooperative, the Brand Fund and each of our and their respective officers, directors, members, agents, representatives and/or employees are express third party beneficiaries of the provisions of this Agreement, including the mediation and arbitration provisions set forth in this Section 21, each having authority to specifically enforce the right to mediate/arbitrate/litigate claims asserted against such person(s) by you or asserted in relation to this Agreement.

21.8 Prior Notice of Claims. As a condition precedent to commencing an action for damages or for our violation or breach of this Agreement, you must notify us in writing within ninety (90) days after the occurrence of the violation or breach, and failure to timely give such notice will preclude any claim for damages.

21.9 Cumulative Remedies. The remedies available to any party if the other party breaches this Agreement are cumulative. The exercise of any remedy will not limit any other remedies that may be available. Both parties will also be entitled to any and all remedies available under applicable law.

21.10 Waiver of Punitive Damages. WITHOUT LIMITING YOUR OBLIGATIONS TO INDEMNIFY US PURSUANT TO THIS AGREEMENT, BOTH PARTIES EACH WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM OF, ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER. YOU AND WE ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING A CLAIM WILL BE LIMITED TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS AND ANY OTHER DAMAGES AWARD SPECIFICALLY REFERENCED IN THIS AGREEMENT.

21.11 Limitations of Claims. ANY AND ALL CLAIMS ARISING OUT OF THIS AGREEMENT OR THE RELATIONSHIP BETWEEN AND/OR AMONG YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM (REGARDLESS OF WHEN IT BECOMES KNOWN); EXCEPT FOR CLAIMS ARISING FROM: (A) INDEMNIFICATION; (B) UNAUTHORIZED USE OF THE MARKS, INTELLECTUAL PROPERTY OR CONFIDENTIAL INFORMATION; OR (C) VIOLATION OF ANY DATA PRIVACY LAW. HOWEVER, THIS PROVISION DOES NOT LIMIT THE RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

21.12 Waiver of Jury Trial. BOTH PARTIES IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER YOU OR US. NOTHING CONTAINED HEREIN SHALL LIMIT YOUR RIGHT TO SUBMIT MATTERS TO THE JURISDICTION OF THE COURTS OF MINNESOTA TO THE FULL EXTENT REQUIRED BY MINN. RULE 2860.4400J. ANY CLAIMS PURSUANT TO MINN. STAT. SEC. 80C.17 MAY BE COMMENCED WITHIN THE TIME PERIOD PROVIDED IN MINN. STAT. SEC. 80C.17, SUBD. 5.

21.13 Waiver of Class Actions. Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.

21.14 Arbitration/Litigation Expenses. In any action or dispute, at law or in equity, that may arise under or otherwise relate to the terms of this Agreement, the prevailing party shall be entitled to full reimbursement of its arbitration or litigation expenses from the other party. Litigation or arbitration expenses include reasonable attorneys' fees, arbitrator's fee, defense costs, witness fees including expert witness fees and costs and other related expenses including paralegal fees, administrative costs, investigative costs, court reporter fees, sales and use taxes, if any, travel and lodging expenses, court or arbitration costs, and all other charges billed by the attorneys to the prevailing party. Reimbursement is due within thirty (30) days of written notice of an award or other notice of the expenses due. If we engage legal counsel for your failure to pay when due any monies owed under this Agreement or to submit when due any reports, information or supporting records, or for any failure otherwise to comply with this Agreement, you must reimburse us on demand for all of the above-listed expenses we incur during the Term or hereafter.

22. SECURITY INTEREST.

22.1 Collateral. You grant to us a security interest ("Security Interest") in all of the equipment, signage, décor, inventory, assets and realty of the Franchise, together with all similar property now owned or hereafter acquired, additions, substitutions, replacements, proceeds, and products thereof, wherever located, used in connection with the Franchise. All items in which a security interest is granted are referred to as the "Collateral".

22.2 Indebtedness Secured. The Security Interest is to secure payment of the following (the “Indebtedness”): (a) all amounts due under this Agreement or otherwise by you; (b) all sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorney fees that we incur in connection with collecting any or all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and Indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not you execute any extension agreement or renewal instruments.

Our security interest, as described herein, shall be subordinated to any financing related to your operation of the Franchise including, but not limited to, a real property mortgage and equipment leases.

22.3 Additional Documents. You will from time to time, as required by us, join with us in executing any additional documents and one (1) or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us.

22.4 Possession of Collateral. Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral.

22.5 Our Remedies in Event of Default. You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of the state in which your Franchise is located (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

22.6 Special Filing as Financing Statement. This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

23. MISCELLANEOUS.

23.1 Severability. If any of the provisions of this Agreement are held invalid for any reason, the remainder will not be affected and will remain in full force and effect in accordance with its terms.

23.2 Waivers. Waiver of any provision of this Agreement will not be valid unless in writing and signed by the person against whom such provision is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time, or any other provision of this Agreement.

23.3 Entire Agreement. This Agreement, including any schedules, amendments, addenda, and exhibits compose the entire Agreement between the parties relating to its subject matter, and supersedes all prior agreements, proposals, representations and commitments, oral or otherwise; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. This Agreement may only be amended by an instrument signed by the authorized officers of both parties.

23.4 Construction. The headings of sections are for convenience only and do not define, limit or construe the contents of such sections. All words used in this Agreement, regardless of the number or gender in which they are used, will be construed to include any other number, singular or plural, in any other gender, masculine, feminine or neuter, as the context of this Agreement may require.

23.5 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

23.6 Timing. Time is of the essence of this Agreement. However, whenever the time for the performance of any action or condition contained in this Agreement falls on a Saturday, Sunday or legal holiday, such time will be extended to the next business date. Indications of time of day mean time in Pennsylvania.

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

23.8 Survival. All obligations under this Agreement (whether yours or ours) which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding the expiration or termination of this Agreement until such provisions are satisfied in full or by their nature expire.

23.9 Interpretation. Each of the parties agrees that they have been or have had the opportunity to have been represented by their own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement. None of the parties can, while this Agreement is effective or after its termination, assert that any provisions of this Agreement or any of the other documents should be construed against the drafter of this Agreement or any of the other documents.

23.10 Acknowledgement.

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.

The below acknowledgment and statements that are contrary to the North American Securities Administrators Association, Inc.'s Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments shall not apply to prospective franchisees who are residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin or who seek to purchase a franchise located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

We have made no promise or representation to you as to the renewal of this Agreement or the grant of a new franchise after the end of the Initial Term set forth in Section 2 hereof. INITIAL HERE:

This Agreement and our Franchise Disclosure Document, or "FDD", have been in your possession for at least fourteen (14) days before you signed this Agreement and before your payment of any monies to us, refundable or otherwise, and that any unilateral, material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before you signed this Agreement, or as otherwise required by state law. INITIAL HERE:

(a) You have read and understand this Agreement and our Franchise Disclosure Document; (b) We have advised you to consult with your own attorneys, accountants, or other advisers about the potential benefits and risks of entering into this Agreement; (c) You have had ample opportunity to consult with advisors of your own choosing; and (d) Our attorneys have not advised or represented you with respect to this Agreement or the relationship created hereby. INITIAL HERE:

You have conducted an independent investigation of the business contemplated by this Agreement, and you acknowledge that, like any other business, an investment in the Franchise involves unavoidable business risks. You acknowledge that the success of the Franchise is primarily dependent upon the business abilities and efforts of you and your Implementer and Personnel. INITIAL HERE:

You have not received any representation, warranty or guarantee, express or implied, from us or any of our officers, directors, shareholders, employees, or agents, as to the potential revenues, income, profits, volume, or success of the business venture contemplated by this Agreement. You acknowledge that you have read this Agreement and our Franchise Disclosure Document, and that you have no knowledge of any representation by us or any of our officers, directors, shareholders, employees, or agents that are contrary to the statements made in our Franchise Disclosure Document or contrary to the terms hereof. We expressly disclaim the making of any warranty, guarantee, or representations of this type. INITIAL HERE:

This Agreement, the documents referred to herein, the attachments hereto, and other agreements signed concurrently with this Agreement, if any, INITIAL HERE:

constitute the entire, full and complete agreement and understanding between us and you and supersede any and all prior agreements, no other representations, promises, warranties or agreements have induced you to execute this Agreement. You further acknowledge and agree that there are no oral or written representations, promises, assurances, warranties, covenants, "side-deals", rights of first refusal, options or understandings other than those expressly contained in this Agreement. This Agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter, and any oral or written representations, including those that are inconsistent with the terms of this Agreement or our Franchise Disclosure Document.

You acknowledge that we maintain a staff to manage and operate the System and that staff members can change as employees come and go. You acknowledge that you did not sign this Agreement in reliance on the continued participation by or employment of any of our shareholders, directors, officers, or employees. We may change our ownership or form and/or assign this Agreement and any other agreement to a third party without restriction. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, we no longer will have any performance or other obligations under this Agreement.

INITIAL HERE:

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby have duly executed this Franchise Agreement as of the date listed below each party's name.

“YOU”

“WE”

Nowlogy Franchising, LLC

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

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

Owner Operating Partner

Owner

Owner

**Schedule I
Franchise Description**

Effective Date of Franchise Agreement: _____

Name of Franchisee: _____

Name of Operating Partner: _____

Name of Clinic Director (if applicable): _____

Names of All Franchise Owners and Percentage Ownership: _____

Protected Area: _____

Location (address): _____

Territory: _____

(if applicable) _____

Address for Notice under Section 19: _____

Email Address For Notice under Section 19: _____

Conversion: Yes No

Exhibit A

General Release

This General Release Agreement (the “Release”) is made by the undersigned _____ (the “Releasor”) for the benefit of Nowlogy Franchising, LLC, and all of its affiliates (“Franchisor”), on this ____ day of _____, 202_.

RECITALS

WHEREAS, Releasor is a Nowlogy Clinic Franchisee or owner of a Nowlogy Clinic Franchise operating a Nowlogy Clinic Franchise (the “Franchise”) under that certain Franchise Agreement dated _____ (the “Franchise Agreement”);

WHEREAS, Releasor desires to transfer or renew the Franchise or an ownership in the Franchise in accordance with the Franchise Agreement; and

WHEREAS, all capitalized terms not defined in this Release shall have the meaning given to them in the Franchise Agreement.

NOW, THEREFORE, in consideration of the consent by Franchisor to the transfer (the “Transfer”) or renewal (“Renewal”) of the Franchise and for other good and valuable consideration, the receipt and sufficiency of which is hereby expressly acknowledged, Releasor hereby covenants and promises as follows:

(1) Releasor hereby absolutely and forever releases and discharges Franchisor from any and all claims, demands, damages, debts, liabilities, accounts, costs, expenses, liens, losses, charges, actions, suits, proceedings and causes of action of every kind and nature whatsoever (“Released Matters”), whether now known or unknown, suspected or unsuspected, which Releasor now has, owns or holds, or at any time heretofore ever had, owned or held, or could, shall or may hereafter have, own or hold, pertaining to, arising out of or in connection with the Franchise Agreement, any related agreements or the franchisor-franchisee relationship in connection therewith or the operation of the Franchise.

(2) Releasor hereby understands and agrees that this Release shall extend to and be binding upon any and all of Releasor’s attorneys, officers, members, managers, directors, owners, employees, agents, representatives, spouses, heirs, estate executors, administrators, successors, affiliates, associates and assigns, and their respective insurers and underwriters. If more than one party shall execute this Release, the term “Releasor” shall mean all parties executing this Release, and all parties shall be bound by its terms.

(3) Releasor hereby understands and agrees that this Release shall extend to and inure to the benefit of any and all of Franchisor’s members, managers, attorneys, officers, directors, owners, employees, agents, representatives, legal representatives, successors, affiliates, subsidiaries, associates and assigns, and its and their respective insurers and underwriters.

(4) Releasor hereby understands and agrees that this Release supersedes any prior agreement, oral or written, with respect to its subject matter. Releasor understands and agrees that no representations, warranties, agreements or covenants have been made with respect to this Release, other than those set forth herein, and that in executing this Release, Releasor is not relying upon any representations, warranty, agreement or covenant not set forth in this Release.

(5) This Release and all acts and transactions under it shall in all respects be interpreted, enforced and governed by the internal laws of the State of Minnesota.

This Release may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the undersigned hereto have executed this Release effective as of the date first set forth above.

RELEASOR

Name of Franchisee

BY: _____

Name: _____

Title: _____

Individually (Owner)

Spouse

Individually (Owner)

Spouse

AGREED AND ACKNOWLEDGED:

Nowlogy Franchising, LLC

BY: _____

Name:

Title:

Exhibit B

Personal Guaranty

This Guaranty must be signed by the owners (referred to as “you” or “your” for purposes of this Guaranty only) of _____ (the “Business Entity”) under the Franchise Agreement dated _____, 20__ (the “Franchise Agreement” and each and every agreement signed by Business Entity and us or any affiliate of ours, including the Franchise Agreement, the “Franchise Agreements”) with Nowlogy Franchising, LLC, a Minnesota limited liability company (“us,” or “our” or “we”). Terms not defined herein shall have the meaning set forth in the Franchise Agreement.

1. **Scope of Guaranty.** In consideration of and as an inducement to our signing and delivering the Franchise Agreements, each of you signing this Guaranty personally and unconditionally: (a) guarantee to us and our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Franchise Agreements; and (b) agree to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreements.
2. **Waivers.** Each of you waive: (a) acceptance and notice of acceptance by us of your obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by you; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by you; (d) any right you may have to require that an action be brought against the Business Entity or any other person as a condition of your liability; (e) all rights to payments and claims for reimbursement or subrogation which you may have against the Business Entity arising as a result of your execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantors.
3. **Consents and Agreements.** Each of you consent and agree that: (a) your direct and immediate liability under this Guaranty are joint and several; (b) you must render any payment or performance required under the Franchise Agreements upon demand if the Business Entity fails or refuses punctually to do so; (c) your liability will not be contingent or conditioned upon our pursuit of any remedies against the Business Entity or any other person; (d) your liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which we may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreements and, for obligations surviving the termination or expiration of the Franchise Agreements, after their termination or expiration.
4. **Enforcement Costs.** If we are required to enforce this Guaranty in any judicial proceeding or any appeals, you must reimburse us for our enforcement costs. Enforcement costs include reasonable accountants’, attorneys’, attorney’s assistants’, paralegals’, mediators’, arbitrators and expert witness fees, costs of investigation and proof of facts, court costs, filing fees, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. **Effectiveness.** Your obligations under this Guaranty are effective on and from the Franchise Agreement Effective Date, regardless of the actual date of signature. Terms not otherwise defined in this Guaranty have the meanings as defined in the Franchise Agreements.
6. **Governing Law.** This Guaranty shall be deemed to have been made in and governed by the laws of the State of Minnesota, which laws shall prevail in the event of any conflict of law.
7. **Internal Dispute Resolution.** You must first bring any claim or dispute arising out of or relating to the Franchise Agreement or this Guaranty to our CEO. You agree to exhaust this internal dispute resolution procedure before bringing any dispute before a third party. This agreement to engage in internal dispute resolution first shall survive the termination or expiration of this Guaranty.
8. **Dispute Resolution.** At our option, all claims or disputes between you and us arising out of, or in any way relating to, this Guaranty or the Franchise Agreement or any other agreement by and between you and us, or any of the parties' respective rights and obligations arising from such agreements or your operation of the Franchise must be submitted first to internal dispute resolution, then mediation and finally arbitration as set forth in the Franchise Agreements. This agreement to mediate and arbitrate at our option shall survive the termination or expiration of this Guaranty.
9. **Third Party Beneficiaries.** Our officers, directors, owners, members, agents, representatives, affiliates, the Cooperative and/or employees are express third party beneficiaries of the Franchise Agreements and this Guaranty, and the mediation and arbitration provisions incorporated by reference herein, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by you.
10. **Injunctive Relief.** Nothing contained in this Guaranty shall prevent us from applying to or obtaining from any court having jurisdiction, without bond, a writ of attachment, temporary injunction, preliminary injunction and/or other emergency relief available to safeguard and protect our interest prior to the filing of any mediation proceeding or pending the arbitration or handing down of a decision or award pursuant to any mediation or arbitration conducted hereunder.
11. **Jurisdiction and Venue.** With respect to any proceeding not subject to mediation or arbitration, the parties expressly agree to submit to the jurisdiction and venue of any court of general jurisdiction in the State of Minnesota and the jurisdiction and venue of the United States District Court for the State of Minnesota.
12. **Jury Trial Waiver.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS GUARANTY OR THE FRANCHISE AGREEMENTS, THE PERFORMANCE OF EITHER PARTY, AND/OR YOUR PURCHASE FROM US OF THE FRANCHISE.
13. **Waiver of Punitive Damages.** You waive to the fullest extent permitted by law, any right to or claim for any punitive or exemplary damages, and agree that in the event of a dispute, your recovery shall be limited to actual damages. If any other term of this Guaranty is found or determined to be unconscionable or unenforceable, for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

14. **Waiver of Class Actions.** Each of the parties hereby irrevocably waives the right to litigate on a class action basis, in any action, proceeding, or counterclaim, whether at law or in equity, brought by any party.
15. **Limitation on Action.** You agree that no cause of action arising out of or under this Guaranty or any of the Franchise Agreements may be maintained by you unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after you become aware of facts or circumstances reasonably indicating that you may have a claim against the us, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense or set-off.
16. **Counterparts.** This Guaranty may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[Signature Page to Follow]

Each of you now sign and deliver this Guaranty effective as of the date of the Franchise Agreement regardless of the actual date of signature.

**PERCENTAGE OF OWNERSHIP
INTEREST IN BUSINESS ENTITY**

GUARANTORS

PERCENTAGE: _____ %

NAME: _____

SIGNATURE: _____

DATE: _____

PERCENTAGE: _____ %

NAME: _____

SIGNATURE: _____

DATE: _____

Exhibit C

Non-Compete, Confidentiality and Non-Solicitation Agreement

I, _____ agree that during my association with _____ (“Franchisee”) and Nowlogy Franchising, LLC, a Minnesota limited liability company and its affiliates (collectively referred to as “Nowlogy Clinic”) and for thirty (30) months immediately thereafter, I will not (whether as owner, partner, associate, agent, consultant, employee, independent contractor, member, stockholder, officer or otherwise of another or on my own account):

(a) Divert, solicit, interfere with, misappropriate, take away or attempt to divert or take away any source of business or revenue or any customer, referral source, broker, insurer, vendor, supplier, trade or patronage with whom Franchisee, Nowlogy Clinic, any affiliate of Nowlogy Clinic or any other franchisee does business or whom I know Franchisee, Nowlogy Clinic, any affiliate of Nowlogy Clinic or any other franchisee has contacted or solicited for business relationships; or

(b) Within the Non-Compete Area (defined below), participate in the development of, or engage in, or market, sell, distribute, render, provide, perform or sell (including through licensing or franchising) products, goods, or services the same or similar to the products, goods, or services offered by the Franchisee or Nowlogy Clinic, or contribute my knowledge or have any financial interest in any work or activity that relates to or involves or is in any way engaged in the operation, licensing, franchising or consulting, developing, marketing, organizing, providing, promoting, coordinating or selling outpatient counseling or therapy products or services; or

(d) Induce or attempt to induce, or solicit any of Franchisee’s, Nowlogy Clinic or other Nowlogy Clinic’s affiliates’ or franchisees’ strategic partners, customers, referral sources, brokers, personnel or other independent contractors to accept employment or an affiliation of any kind with me or any third party; or

(e) Perform or contribute to any other act injurious or prejudicial to the goodwill associated with Nowlogy Clinic or its trademarks, trade names or other intellectual property.

In addition to the above, I agree to at all times during and after this Agreement, treat as confidential all manuals and materials designated for use by Nowlogy Clinic with Nowlogy Clinic business (including without limitation the Operations Manual), and such other information as Nowlogy Clinic or the Franchisee may designate from time to time for confidential use with the Nowlogy Clinic business (as well as all trade secrets and confidential information, knowledge and know-how concerning the operation of the Franchise that may be imparted to, or acquired by, me from time to time in connection with my relationship with Nowlogy Clinic and the Franchisee), and shall use all reasonable efforts to keep such information confidential and shall not use the confidential information for any other purpose other than in connection with the operation of the Franchise. I acknowledge that the unauthorized use or disclosure of such confidential information (and trade secrets, if any) will cause incalculable and irreparable injury to Nowlogy Clinic and the Franchisee. I accordingly agree that I shall not, at any time, without Nowlogy Clinic and the Franchisee’s prior written consent, disclose, use or permit the use (except as may be required by applicable law or authorized by this Agreement) of such information, in whole or part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how not generally known about Nowlogy Clinic’s System Standards (as that term is defined in the Franchise Agreement) and such other information or material as Nowlogy Clinic or the Franchisee may designate as confidential, shall be deemed confidential for purposes of this Agreement.

The “Non-Compete Area” means: (1) in Franchisee’s territory as granted by Nowlogy Clinic to Franchisee under their Franchise Agreement and twenty-five (25) miles of such Franchisee’s territory, (2) within any other Nowlogy Clinic Franchisee territory or other business which is franchised, owned, operated or managed by Nowlogy Clinic (3) business conducted via the Internet or other form of e-commerce, wherever located; or (4) within twenty-five (25) miles of any territory in existence or under development as of the end of the term of the Franchise Agreement between Nowlogy Clinic and Franchisee.

Because of my significant responsibilities and access to proprietary information of the Nowlogy Clinic and the Franchisee, I acknowledge that each of my obligations in this Agreement is reasonable and necessary to protect the Franchisee’s, Nowlogy Clinic’s and its franchisees’ legitimate business interests. I understand that breaking any of my promises or obligations will irreparably and continually damage Franchisee, Nowlogy Clinic, and Nowlogy Clinic’s Franchisees for which money damages may not be adequate.

Consequently, if I violate any of my promises in this Agreement, or Nowlogy Clinic and/or Franchisee has reason to believe that I am about to violate this Agreement, without limitation to other available remedies, Nowlogy Clinic and Franchisee will be entitled to both: (1) a preliminary or permanent injunction to prevent the continuing harm to Nowlogy Clinic (and/or any of its franchisees) and/or Franchisee, and (2) money damages insofar as they can be determined. An injunction ordering me to stop any activities that may violate this Agreement will not prevent me from earning a living. I will pay Nowlogy Clinic and/or Franchisee its costs and expenses resulting from any enforcement of this Agreement resulting from my violation of the terms hereof, including reasonable attorneys’ fees.

If any court determines that any of the covenants set forth in this Agreement, or any part thereof, is unenforceable because of the duration or geographic scope of such provision, such court shall have the power to reduce the duration or scope of such provision, as the case may be, and, in its reduced form, such provision shall then be enforceable. This Agreement shall be enforced and governed by and under the substantive law of the Commonwealth of Pennsylvania, without regard to choice of law rules, unless otherwise provided herein.

This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one (1) and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal E-SIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

Name: _____, Individually Date

Title:

AGREED AND ACKNOWLEDGED:

Nowlogy Franchising, LLC

Name:

Title:

Exhibit D

Electronic Funds Transfer (EFT) Authorization

Franchisee Information:

Franchisee Name	
-----------------	--

Franchisee Mailing Address (street) Franchise Phone No.

Franchisee Mailing Address (city, state, zip)

Bank Account Information:

Bank Name Bank Account No.

Bank Mailing Address (street) Bank Routing No.

[: [:
(9 characters)

Bank Mailing Address (city, state, zip) Bank Phone No.

Payee Information

Nowlogy Franchising, LLC

Authorization:

The Franchisee hereby authorizes the Bank to honor and charge the Bank Account for electronic funds transfers or drafts drawn on the Bank Account and payable to the Payee. The amount of such charge shall be set forth in a notice from the Payee presented to the Bank on Tuesday of each week. The Franchisee agrees to execute such additional documents as may be reasonably requested by the Payee or the Bank to evidence the interest of this EFT Authorization. This authority shall remain in full force and effect until the Payee has received written notification from the Franchisee in such time and manner as to afford the Payee and the Bank to act on such notice. The Franchisee understands that the termination of this authorization does not relieve the Franchisee of its obligations to make payments to the Payee.

Signature:

Date:

INDEMNIFICATION OF BANK

In consideration of the Bank's compliance with the foregoing request and authorization, the Payee agrees with respect to any action by the Bank in compliance with the foregoing request and authorization to indemnify the Bank and hold the Bank harmless for, from and against any loss the Bank may suffer as a consequence of the Bank's actions from or in connection with the execution and issuance of any electronic fund transfer or draft, whether or not genuine, purporting to be executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, except to the extent such loss caused by the negligence or willful misconduct of the Bank.

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

Exhibit E

Internet Website, Digital, Social Media and Listing Agreement

INTERNET WEB SITES AND LISTINGS AGREEMENT

THIS INTERNET WEB SITES AND LISTINGS AGREEMENT (the “Internet Listing Agreement”) is made and entered into as of the ____ day of _____, 20__ (the “Effective Date”), by and between Nowlogy Franchising, LLC (the “Franchisor”), and _____, a _____ (the “Franchisee”).

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor (the “Franchise Agreement”); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Internet Listing Agreement;

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Internet Listing Agreement shall have the meanings set forth in the Franchise Agreement. “Termination” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Internet Web Sites and Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet web sites, social media platforms such as social networking website, including but not limited to Facebook, SnapChat, LinkedIn, Twitter, Pinterest, or any blogs or other bulletin boards, or chat rooms, other networking and share sites and the right to hyperlink to certain web sites and listings on various Internet search engines (collectively, the “Internet Web Sites and Listings”) related to the Franchise or the Marks (all of which right, title, and interest is referred to herein as “Franchisee’s Interest”).

2.2 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately direct all Internet Service Providers, domain name registries, Internet search engines, and other listing agencies (collectively, the “Internet Companies”) with which Franchisee has Internet Web Sites and Listings to: (i) transfer all of Franchisee’s Interest in such Internet Web Sites and Listings to Franchisor, (ii) provide us with primary administrative access to such Internet Web Sites, and (iii) execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Internet Web Sites and Listings, Franchisee will immediately direct the Internet Companies to terminate such Internet Web Sites and

Listings or will take such other actions with respect to the Internet Web Sites and Listings as Franchisor directs. In the event that Franchisor accepts one or more Internet Web Sites and Listings, Franchisor agrees to assume and be responsible for all obligations and liabilities with respect to such Internet Web Sites and Listings.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under this Internet Listing Agreement, with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Internet Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including without limitation, this Internet Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Internet Companies to transfer all Franchisee's Interest in and to the Internet Web Sites and Listings to Franchisor, in such case Franchisor shall assume and be responsible for all obligations and liabilities with respect to the Internet Web Sites and Listings;

2.3.2 Direct the Internet Companies to terminate any or all of the Internet Web Sites and Listings; and

2.3.3 Execute the Internet Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee shall use its best efforts to direct the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Internet Companies have duly transferred all Franchisee's Interest in such Internet Web Sites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Internet Web Sites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Franchisee's Interest (and Franchisor shall become liable for any sums to be paid to the Internet Companies for obligations incurred on and after the date Franchisor duly accepted the transfer of such Interest), or for any other obligations not subject to the Franchise Agreement or this Internet Listing Agreement.

3. MISCELLANEOUS

3.1 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement provided that Franchisor prevails in its efforts to enforce this Agreement, which reasonable costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee shall indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages,

claims, debts, claims, demands, or obligations to the extent that they are related to or are based on Franchisee's breach of this Internet Listing Agreement, unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisor's gross negligence or willful misconduct. Franchisor shall indemnify, defend, and hold harmless Franchisee and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors of any and all of them, from and against, and will reimburse Franchisee and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that are related to or are based on Franchisor's breach of this Internet Listing Agreement, including, but not limited to, Franchisor's failure to assume or pay any claim or obligation to the Internet Companies incurred on and after the date Franchisor duly accepted the transfer of such interest, unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisee's negligence, fault or willful misconduct.

3.2 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Internet Web Sites and Listings.

3.3 Further Assurances. Franchisee agrees that at any time after the date of this Internet Listing Agreement, Franchisee shall perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Internet Listing Agreement.

3.4 Successors and Assigns. All of Franchisor's rights and powers, and all of Franchisee's obligations, under this Internet Listing Agreement shall be binding on Franchisee's successors and assigns as if they had duly executed this Internet Listing Agreement.

3.5 Effect on Other Agreements. Except as otherwise provided in this Internet Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.6 Survival. This Internet Listing Agreement shall survive the Termination of the Franchise Agreement.

3.7 Joint and Several Obligations. All Franchisee's obligations under this Internet Listing Agreement shall be joint and several.

3.8 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Minnesota without regard to the application of Minnesota conflict of law rules.

3.9 Counterparts. This Internet Listing Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Internet Listing Agreement as of the Effective Date.

FRANCHISOR:

Nowlogy Franchising, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

Exhibit F

TELEPHONE LISTING AGREEMENT

THIS TELEPHONE LISTING AGREEMENT (the "Telephone Listing Agreement") is made and entered into as of the _____ day of _____, 20____ (the "Effective Date"), by and between Nowlogy Franchising, LLC (the "Franchisor"), and _____, a _____ (the "Franchisee").

WITNESSETH:

WHEREAS, Franchisee desires to enter into a Franchise Agreement with Franchisor (the "Franchise Agreement"); and

WHEREAS, Franchisor would not enter into the Franchise Agreement without Franchisee's agreement to enter into, comply with, and be bound by all the terms and provisions of this Telephone Listing Agreement.

NOW, THEREFORE, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the parties hereto agree as follows:

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Listing Agreement shall have the meanings set forth in the Franchise Agreement. "Termination" of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "Telephone Numbers and Listings") related to the Franchise or the Marks (all of which right, title, and interest is referred to herein as "Franchisee's Interest").

2.2 Transfer. On Termination of the Franchise Agreement, if Franchisor directs Franchisee to do so, Franchisee shall immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Numbers and Listings to: (i) transfer all Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, and (ii) execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as Franchisor directs. In the event that Franchisor accepts one or more Telephone Numbers and, Franchisor agrees to assume and be responsible for all obligations and liabilities with respect to such Telephone Numbers and Listings.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor's benefit under this Telephone Listing Agreement,

with full power of substitution, as Franchisee's true and lawful attorney-in-fact with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including, without limitation, this Telephone Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to Franchisor, in such case Franchisor shall assume and be responsible for all obligations and liabilities with respect to the Telephone Numbers and Listings;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee shall use its best efforts to direct the Telephone Companies that they shall accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all of Franchisee's Interest in such Telephone Numbers and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Franchisee's Interest (and Franchisor shall become liable for any sums to be paid to the Telephone Companies for obligations incurred on and after the date Franchisor duly accepted the transfer of such Interest), or for any other obligations not subject to the Franchise Agreement or this Telephone Listing Agreement.

3. MISCELLANEOUS

3.1 Indemnification. Franchisee is solely responsible for all costs and expenses related to Franchisee's performance, Franchisee's nonperformance, and Franchisor's enforcement of this Agreement provided that Franchisor prevails in its efforts to enforce this Agreement, which reasonable costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee shall indemnify, defend, and hold harmless Franchisor and its affiliates, and the directors, officers, shareholders, partners, members, employees, agents, and attorneys of Franchisor and its affiliates, and the successors of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that they are related to or are based on Franchisee's breach of this Telephone Listing Agreement unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisor's gross negligence or willful misconduct. Franchisor shall indemnify, defend, and hold harmless Franchisee and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors of any and all of them, from and against, and will reimburse Franchisee and any and all of

them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations to the extent that are related to or are based on Franchisor's breach of this Telephone Listing Agreement, including, but not limited to, Franchisor's failure to assume or pay any claim or obligation to the Telephone Companies incurred on and after the date Franchisor duly accepted the transfer of Franchisee's Interest, unless the claims, obligations or damages are determined to be caused in whole or in part by Franchisee's negligence, fault or willful misconduct.

3.2 No Duty. The powers conferred on Franchisor under this Telephone Listing Agreement are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

3.3 Further Assurances. Franchisee agrees that at any time after the date hereof, it will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Telephone Listing Agreement.

3.4 Successors and Assigns. All of Franchisor's rights and powers, and all of Franchisee's obligations, under this Telephone Listing Agreement shall be binding on Franchisee's successors and assigns as if they had duly executed this Telephone Listing Agreement.

3.5 Effect on Other Agreements. Except as otherwise provided in this Telephone Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.6 Survival. This Telephone Listing Agreement shall survive the Termination of the Franchise Agreement.

3.7 Joint and Several Obligations. All Franchisee's obligations under this Telephone Listing Agreement shall be joint and several.

3.8 Governing Law. This Telephone Listing Agreement shall be governed by and construed under the laws of the State of Minnesota, without regard to the application of Minnesota conflict of law rules.

3.9 Counterparts. This Telephone Listing Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Listing Agreement as of the Effective Date.

FRANCHISOR: Nowlogy Franchising, LLC

FRANCHISEE

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Exhibit G

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, the undersigned (“Assignor”) assigns, transfers and sets over to Nowlogy Franchising, LLC, a Minnesota limited liability company (“Assignee”), all of Assignor’s right and title to and interest in that certain “Lease” a copy of which is attached as Exhibit A respecting premises commonly known as _____. This assignment is for collateral purposes only and, except as specified in this document, Assignee will have no liability or obligation of any kind whatsoever arising from or in connection with this assignment or the Lease unless and until Assignee takes possession of the premises the Lease demises according to the terms of this document and assumes Assignor’s obligations under the Lease. This assignment is intended only for non-affiliated third-party leases and shall have no effect if the Assignor or any of Assignor’s affiliates own the property subject to the lease.

Assignor represents and warrants to Assignee that it has full power and authority to assign the Lease and that Assignor has not previously assigned or transferred and is not otherwise obligated to assign or transfer any of its interest in the Lease or the premises it demises.

Upon Assignor’s default under the Lease or under the “Franchise Agreement” for a Nowlogy Clinic business between Assignee and Assignor or in the event Assignor defaults under any document or instrument securing the Franchise Agreement, Assignee has the right to take possession of the premises the Lease demises and expel Assignor from the premises. In that event, Assignor will have no further right and title to or interest in the Lease but will remain liable to Assignee for any past due rental payments or other charges Assignee is required to pay Lessor to effectuate the assignment this document contemplates.

Assignor agrees that it will not suffer or permit any surrender, termination, amendment or modification of the Lease without Assignee’s prior written consent. Throughout the term of the Franchise Agreement, Assignor agrees that it will elect and exercise all options to extend the term of or renew the Lease not less than thirty (30) days before the last day upon which the option must be exercised unless Assignee agrees otherwise in writing. Upon Assignee’s failure to agree otherwise in writing and upon Assignor’s failure to elect to extend or renew the Lease as required Assignor appoints Assignee as its true and lawful attorney-in-fact with the authority to exercise the extension or renewal options in the name, place and stead of Assignor for the sole purpose of effecting the extension or renewal.

ASSIGNEE:

ASSIGNOR:

Nowlogy Franchising, LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

CONSENT TO COLLATERAL ASSIGNMENT AND AGREEMENT OF LESSOR

The undersigned Lessor under the Lease:

(a) Agrees to notify Assignee in writing of and upon Assignor's failure to cure any default by Assignor under the Lease;

(b) Agrees that Assignee will have the right, but not the obligation, to cure any default by Assignor under the Lease within thirty (30) days after Lessor's delivery of notice of the default under section (a) above;

(c) Consents to the Collateral Assignment and agrees that if Assignee takes possession of the premises the Lease demises and confirms to Lessor that it has assumed the Lease as tenant, Lessor will recognize Assignee as tenant under the Lease, provided that Assignee cures within the thirty (30) day period noted in section (b) above Assignor's defaults under the Lease; and

(d) Agrees that Assignee may further assign the Lease to or enter into a sublease with a person, firm or corporation who agrees to assume the tenant's obligations under the Lease and is reasonably acceptable to Lessor and that upon that assignment Assignee will have no further liability or obligation under the Lease as assignee, tenant or otherwise, other than to certify that the additional assignee or sublessee operates the premises the Lease demises as a Nowlogy Clinic business.

Dated: _____

_____, Lessor

Exhibit H

On-Site Training Agreement

Dates of Training: _____

Franchisee: _____

Franchisor Operating Partner: _____

Terms not defined herein shall have the meaning set forth in the Franchise Agreement dated _____. Franchisee agrees that all pre-opening obligations have been met and all requirements for training are complete, including but not limited to:

1. Franchisor has provided you with a Design and Construction Plan, assistance including site selection, site evaluation and lease review, as we have outlined in our Operations Manual.

2. Franchisor has provided you a copy of the Operations Manual, which may include audio and video media, compact disc media, computer software, other electronic media, and/or written materials.

3. Your Operating Partner and Clinic Director have been provided all training, including initial training, classroom training and on-site training.

4. Franchisor provided you with specifications for all initial and replacement furniture, fixtures, equipment, inventory, and supplies required to operate your Nowlogy Clinic.

5. Franchisor counseled you on necessary pre-opening procedures and assisted you with inventory ordering of products, equipment and supplies, through our affiliate or other suppliers, as applicable, which are necessary for commencement of operations

6. Franchisor provided you with a list of our approved items, services and suppliers, and consultation on required purchases as we deemed necessary and appropriate.

7. Franchisor provided you with templates for certain promotional and advertising materials and consultation in connection with the grand opening marketing for your Nowlogy Clinic.

8. You have completed the following:

- _____ Proper Inventory of Products ordered
- _____ All fixtures, set-ups, displays, models and demos
- _____ All licenses and certificates obtained
- _____ All Personnel been hired
- _____ Employees notified of training dates and times (all staff that is available MUST be present during designated training times)

I, _____, the Operating Partner of the Franchisee named above, understand there may be additional costs incurred to me if the support team has to extend their stay as a result of my unpreparedness. All costs associated with the extended stay (hotel, meals, airfare costs, car rental) will be billed directly to me upon the support team’s return after completing the on-site training.

It will be at the support manager’s discretion, upon arrival, if it is feasible to perform a complete and valuable training session.

I have read, acknowledge and agree to this document.

Please print name: _____

Date: _____

Signature: _____

Exhibit I

**MULTI-STATE ADDENDA TO FRANCHISE AGREEMENT
MINNESOTA AMENDMENT
TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Disclosure Document, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

Company and Franchisee hereby agree that the Franchise Agreement dated _____, 20__, will be amended as follows:

1. Section 14 of the Franchise Agreement is amended to add the following language:
“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”
2. Section 21 of the Franchise Agreement is amended to read as follows:
“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.”
3. Franchisor will protect the Franchisee’s right granted hereby to use the Marks or will indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.
4. Section 21 of the Franchise Agreement is amended as follows:
“Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by laws of the jurisdiction.”
5. Minn. Rule 2860.4400J. prohibits waiver of a jury trial. Accordingly, Section 21.12 of the Franchise Agreement is amended as follows:

“Nothing contained herein shall limit Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4400J. Any claims pursuant to Minn. Stat. Sec. 80C.17 may be commenced within the time period provided in Minn. Stat. Sec. 80C.17, subd. 5.”

6. Section 21.6 is amended to read as follows:

“Company may seek injunctive relief, without bond if determined by the court of competent jurisdiction that a bond is not required, against Franchisee restraining the unauthorized use of any Mark or Copyrighted Materials, or the unauthorized use or disclosure of Company’s confidential information.

7. Section 21.6 is amended to read as follows:

“Company may, at its option, seek injunctive and other equitable relief against Franchisee from any court of competent jurisdiction;”

IN WITNESS WHEREOF, Company and Franchisee have duly executed and delivered this Amendment as of the date set forth above.

COMPANY:

Franchisee:

Nowlogy Franchising, LLC

By: _____

By: _____

Its: _____
(title)

Its: _____
(title)

**SOUTH DAKOTA AMENDMENT
TO FRANCHISE AGREEMENT**

This Addendum shall pertain to franchises sold in the State of South Dakota and shall be for the purpose of complying with South Dakota statutes and regulations. Notwithstanding anything which may be contained in Section 5.1 of the Franchise Agreement to the contrary, Section 5.1 of the Franchise Agreement shall be supplemented as follows:

Pursuant to SDCL §37-5B-5, payment of the Initial Franchise Fee for Businesses located in South Dakota is deferred until all of Franchisor's initial obligations are complete and Franchisee opens the Business, at which time the Initial Franchise Fee must be paid in full.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

COMPANY:

Franchisee:

Nowlogy Franchising, LLC

By:

By:

Its:

(title)

Its:

(title)

Exhibit J

CONVERSION ADDENDUM

THIS CONVERSION ADDENDUM to The Nowlogy Franchising, LLC Franchise Agreement (“Franchise Agreement”) by and between Nowlogy Franchising, LLC (“us” or “we”) and _____ (“Franchisee” or “you”) is entered into simultaneously with the Franchise Agreement.

Preamble and Background

A. You currently own and operate an existing outpatient counseling and therapy clinic at the Location (“Existing Business”), and you wish to convert the Existing Business to a “Nowlogy Clinic”.

B. We entered into the Franchise Agreement with you for this purpose, and are also entering into this Addendum to modify certain terms of the Franchise Agreement to provide for the conversion of the Existing Business to a “Nowlogy Clinic” (the “Franchised Business”).

C. All capitalized terms in this Addendum will have the same meaning as in the Franchise Agreement.

NOW, THEREFORE, the parties, intending to be legally bound, agree as follows:

1. Initial Franchise Fee. The Initial Franchise Fee for an Existing Business converting to a Franchised Business is \$20,000 per converting clinic.

2. Conversion of Existing Business. Notwithstanding anything to the contrary in the Franchise Agreement, the parties acknowledge and agree that, as you are converting the Existing Business and not developing a Nowlogy Clinic:

a. We will evaluate the Existing Business and your business operations that manage and support the Existing Business, and will prepare and provide you with a schedule of required modifications and upgrades to the Existing Business and your business operations, which you must complete in order to convert the Existing Business to a Franchised Business. Such changes and upgrades may include, without limitation: modifications, upgrades, or replacement of your equipment, purchasing and adding to the Existing Business new and/or upgraded equipment and supplies, upgrading and/or replacing your computer equipment to comply with our specifications for Computer Systems, purchasing new signage, branded apparel, other retail items and advertising materials (together, the “Conversion Plan”).

b. You must not operate the Franchised Business or otherwise operate the Existing Business using the Marks until you have completed the Conversion Plan, and obtained our written approval indicating your satisfactory completion of the Conversion Plan and are otherwise in compliance the Franchise Agreement.

c. The parties agree that references in the Franchise Agreement to “opening the Franchise”, “commence business”, “commence operation of your Franchise” or similar references will mean the date on which you first begin to operate the Franchised Business with the public under the identification of the Marks after having received our written approval to do so.

3. Additional Acknowledgements. You represent and warrant that neither you nor the Existing Business were associated with, a party to a contract with or otherwise obligated to any third party pursuant to a license, franchise, joint venture, marketing or other such agreement.

4. Integration and Effect. This Addendum is an integral part of, and be incorporated into, the Franchise Agreement as if fully set forth therein. The provisions of this Addendum will govern, control, and supersede any inconsistent or conflicting provisions of the Franchise Agreement. Except as expressly modified by this Addendum, the Franchise Agreement remains in full force and effect.

5. Counterparts. This Addendum may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

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

NOWLOGY FRANCHISING, LLC

[FRANCHISEE ENTITY]

By: _____

By: _____

(Name)

(Name)

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT C
LIST OF FRANCHISEES

None.

EXHIBIT D
LIST OF FORMER FRANCHISEES

None.

EXHIBIT E
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OPERATIONS MANUAL TABLE OF CONTENTS

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EXHIBIT F

LIST OF STATE ADMINISTRATORS

<p><u>California</u> California Department of Financial Protection and Innovation 320 West 4th St., Suite 750 Los Angeles, CA 90013-2344 (213) 736-2741 Toll Free: 1-866-275-2677</p>	<p><u>Michigan</u> Consumer Protection Division Michigan Department of Attorney General 670 Law Building Lansing, MI 48913 (517) 373-7117</p>	<p><u>South Dakota</u> Department of Labor and Regulation Division of Securities 124 S Euclid, Suite 104 Pierre, SD 57501</p>
<p><u>Connecticut</u> Department of Banking, Securities Investment Division 260 Constitution Plaza Hartford, CT 06103</p>	<p><u>Minnesota</u> Minnesota Dept. of Commerce 85 7th Place East, Suite 500 St. Paul, MN 55101-3165 (651) 296-4026</p>	<p><u>Texas</u> Secretary of State Statutory Documents Section P.O. Box 12887 Austin, TX 78711-2887</p>
<p><u>Florida</u> Florida Department of Agriculture And Consumer Services 407 S. Calhoun Street Tallahassee, FL 32399-6700</p>	<p><u>New York</u> New York Department of Law, Investor Protection and Securities 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8236</p>	<p><u>Utah</u> Department of Commerce 160 East 300 South SM Box 146704 Salt Lake City, UT 84114-6704</p>
<p><u>Hawaii</u> Business Registration Div. Dept. of Commerce & Consumer Affairs 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p><u>Nebraska</u> Department of Banking and Finance 1230 "0" Street Suite 400 PD. Box 95006 Lincoln, NE 68509-5009</p>	<p><u>Virginia</u> State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street Richmond, Virginia 23219 (804) 371-9051</p>
<p><u>Illinois</u> Chief, Franchise Division Office of Attorney General 500 South Second Street Springfield, IL 62707 (217) 782-4465</p>	<p><u>North Dakota</u> North Dakota Securities Department 600 East Boulevard Avenue 5th Floor, Dept. 414 Bismarck, ND 58505-0510 (701) 328-4712</p>	<p><u>Washington</u> Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (106) 753-6928</p>
<p><u>Indiana</u> Deputy Commissioner, Franchise Division Indiana Securities Commission Secretary of State 302 W. Washington St, Room E- 111 Indianapolis, IN 46204 (317) 232-6681</p>	<p><u>Oregon</u> Department of Insurance & Finance Corporate Securities and Franchise Corporate Securities Section Labor and Industries Building Salem, OR 97310 (503) 378-4387</p>	<p><u>Wisconsin</u> Securities and Franchise Registration Wisconsin Securities Commission P.O. Box 1768 Madison, WI 53701 (608) 266-8559</p>
<p><u>Maryland</u> Office of the Attorney General, Securities Division, 200 St. Paul Place, Baltimore, MD 21202-2020 (410) 576-6360</p>	<p><u>Rhode Island</u> Chief Securities Examiner Department of Business Regulation Securities Division Franchise Section 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 277-3048</p>	

EXHIBIT G

LIST OF AGENTS FOR SERVICE OF PROCESS

<p>CALIFORNIA California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2244 (213) 576-7500</p>	<p>RHODE ISLAND Director of Depart. of Business Regulation 1511 Pontiac Avenue John O. Pastore Complex, Building 69-1 Cranston, RI 02920 (401) 462-9500</p>	<p>VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street Richmond, Virginia 23219 (804) 371-9733</p>
<p>CONNECTICUT Connecticut Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, CT 06103</p>	<p>SOUTH DAKOTA Division of Insurance Securities Regulation 124 S. Euclid Avenue, Suite 104 Pierre, SD 57501 (605) 773-3563</p>	<p>WASHINGTON Director of Depart. of Financial Institutions General Administration Building Securities Division – 3rd Floor 150 Israel Road, S. W. Tumwater, Washington 98501 (360) 902-8760</p>
<p>HAWAII Comm’r Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722</p>	<p>MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360</p>	<p>WISCONSIN Commissioner of Securities 201 West Washington Avenue Fourth Floor Madison, Wisconsin 53703 (608) 261-9555</p>
<p>ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465</p>	<p>MICHIGAN Dept. of Commerce, Corp’ns & Securities Bur. 525 W. Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, MI 48933 (517) 373-7117</p>	
<p>INDIANA Indiana Secretary of State 302 West Washington Street Room E-111 Indianapolis, IN 46204 (317) 232-6681</p>	<p>MINNESOTA Commissioner of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (612) 296-4026</p>	
<p>NORTH DAKOTA North Dakota Securities Commissioner 600 Boulevard Avenue, State Capital Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712</p>	<p>NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222</p>	

EXHIBIT H

Franchisee Disclosure Acknowledgment Statement

You are preparing to enter into a franchise agreement (the “Franchise Agreement”) for the establishment and operation of a Nowlogy Clinic franchised unit (the “Franchised Business”) with Nowlogy Franchising, LLC (the “Franchisor”). The purpose of this Questionnaire is to determine whether any statements or promises were made to you by employees or authorized representatives of the Franchisor, or by employees or authorized representatives of a broker acting on behalf of the Franchisor (“Broker”) that have not been authorized, or that were not disclosed in the Disclosure Document or that may be untrue, inaccurate or misleading. Franchisor, through the use of this document, desires to ascertain that (a) the undersigned, individually and as a representative of any legal entity established to acquire the franchise rights, fully understands and comprehends that the purchase of a franchise is a business decision, complete with its associated risks, and (b) you are not relying upon any oral statement, representations, promises or assurances during the negotiations for the purchase of the franchise which have not been authorized by Franchisor.

In the event that you are intending to purchase an existing Franchised Business from an existing Franchisee, you may have received information from the transferring Franchisee, who is not an employee or representative of the Franchisor. The questions below do not apply to any communications that you had with the transferring Franchisee. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

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.

The below acknowledgment and statements that are contrary to the North American Securities Administrators Association, Inc.’s Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments shall not apply to prospective franchisees who are residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin or who seek to purchase a franchise located in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

1. Are you seeking to enter into the Franchise Agreement in connection with a purchase or transfer of an existing Franchised Business from an existing Franchisee?

Yes _____ No _____

2. I had my first face-to-face meeting with a Franchisor representative on _____, 20__.

3. Have you received and personally reviewed the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

4. Do you understand all of the information contained in the Franchise Agreement, each addendum, and/or related agreement provided to you?

Yes _____ No _____

If no, what parts of the Franchise Agreement, any Addendum, and/or related agreement do you not

understand? (Attach additional pages, if necessary.)

5. Have you received and personally reviewed the Franchisor's Disclosure Document that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the Disclosure Document indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the Disclosure Document and any state-specific Addendum to the Disclosure Document?

Yes _____ No _____

If No, what parts of the Disclosure Document and/or Addendum do you not understand? (Attach additional pages, if necessary.)

8. Have you discussed the benefits and risks of establishing and operating a Franchised Business with an attorney, accountant, or other professional advisor?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, location, lease terms, your management capabilities and other economic, and business factors?

Yes _____ No _____

10. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the actual or potential revenues, profits or operating costs of any particular Franchised Business operated by the Franchisor or its franchisees (or of any group of such businesses), that is contrary to or different from the information contained in the Disclosure Document?

Yes _____ No _____

11. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the amount of money you may earn in operating the Franchised Business that is contrary, different from or in addition to the information contained in the Disclosure Document?

Yes _____ No _____

12. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the total amount of revenue the Franchised Business will generate, that is contrary, different from or in addition to the information contained in the Disclosure Document?

Yes _____ No _____

13. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise regarding the costs you may incur in operating the Franchised Business that is contrary, different from or in addition to the information contained in the Disclosure Document?

Yes _____ No _____

14. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Franchised Business?

Yes _____ No _____

15. Has any employee of a Broker or other person speaking on behalf of the Franchisor made any statement, promise or agreement concerning the advertising, marketing, training, support service or assistance that the Franchisor will furnish to you that is contrary to, or different from, the information contained in the Disclosure Document or Franchise Agreement?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this Franchised Business prior to today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this Franchised Business prior to today?

Yes _____ No _____

18. Have you spoken to any other franchisee(s) of this system before deciding to purchase this Franchised Business? If so, who? _____

If you have answered No to question 9, or Yes to any one of questions 10-17, please provide a full explanation of each answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered Yes to question 9, and No to each of questions 10-17, please leave the following lines blank.

I signed the Franchise Agreement and Addendum (if any) on _____, 20__ and acknowledge that neither the Franchise Agreement nor the Addendum is effective until signed and dated by the Franchisor.

Please understand that your responses to these questions are important to us and that we will rely on them. By signing this Questionnaire, you are representing that you have responded truthfully to the above questions. In addition, by signing this Questionnaire, you also acknowledge that:

A. You recognize and understand that business risks, which exist in connection with the purchase of any business, make the success or failure of the Franchised Business subject to many variables, including among other things, your skills and abilities, the hours worked by you, competition, interest rates, the economy, inflation, location, operation costs, lease terms and costs and the marketplace. You hereby acknowledge your awareness of and willingness to undertake these business risks.

B. You agree and state that the decision to enter into this business risk is in no manner predicated upon any oral representation, assurances, warranties, guarantees or promises made by Franchisor or any of its officers, employees or agents (including the Broker or any other broker) as to the likelihood of success of the Franchised Business. Except as contained in the Disclosure Document, you acknowledge that you have not received any information from the Franchisor or any of its officers, employees or agents (including the Broker or any other broker) concerning actual, projected or forecasted franchise sales, profits or earnings. If you believe that you have received any information concerning actual, average, projected or forecasted franchise sales, profits or earnings other than those contained in the Disclosure Document, please describe those in the space provided below or write "None".

C. You further acknowledge that the President of the United States of America has issued Executive Order 13224 (the "Executive Order") prohibiting transactions with terrorists and terrorist organizations and that the United States government has adopted, and in the future may adopt, other anti-terrorism measures (the "Anti-Terrorism Measures"). Franchisor therefore requires certain certifications that the parties with whom it deals are not directly involved in terrorism. For that reason, you hereby certify that neither you nor any of your employees, agents or representatives, nor any other person or entity associated with you, is:

- (i) a person or entity listed in the Annex to the Executive Order;
 - (ii) a person or entity otherwise determined by the Executive Order to have committed acts of terrorism or to pose a significant risk of committing acts of terrorism;
 - (iii) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism;
- or
- (iv) owned or controlled by terrorists or sponsors of terrorism.

D. You acknowledge that:

- (i) any statements regarding the potential or probable revenues, sales or profits of the Franchised Business are made solely in the Disclosure Document delivered to you prior to signing the Franchise Agreement;
- (ii) any statement regarding the potential or probable revenues, sales or profits of the business venture or statistical information regarding any existing Franchised Business that is not contained in our Disclosure Document is unauthorized, unwarranted and unreliable and should be reported to us immediately;
- (iii) any information you obtained from our Brokers, employees and authorized representatives relating to revenues, sales, profits or otherwise does not constitute information obtained from us and we do not warrant or guaranty the accuracy of any such information; and

(iv) you have not received or relied on any representations about the Franchised Business made by us, or our officers, directors, employees or agents that are contrary to the statements made in our Disclosure Document or to the terms of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned has executed this Acknowledgement Statement effective as of the date of the Franchise Agreement.

Name of Franchisee

BY: _____

Name: _____

EXHIBIT I

STATE ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

ADDENDUM TO THE DISCLOSURE DOCUMENT UNDER THE MINNESOTA FRANCHISE INVESTMENT LAW

Notwithstanding anything to the contrary set forth in the Disclosure Document or Franchise Agreement, as applicable, the following provisions shall supersede and apply to all franchises offered and sold in the State of Minnesota:

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
2. The following language is added to Item 13 of the Disclosure Document and Section 11 of the Franchise Agreement:

“The Minnesota Department of Commerce requires the Franchisor to indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that the Franchisee’s use of the tradename infringes trademark rights of the third party. Franchisor indemnifies Franchisee against the consequences of Franchisee’s use of the tradename in accordance with the requirements of the license, and, as a condition to indemnification, Franchisee must provide notice to Franchisor of any such claims within ten (10) days and tender the defense of the claim to Franchisor. If Franchisor accepts the tender of defense, Franchisor has the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.”

3. Item 17 of the Disclosure Document and Section 18 of the Franchise Agreement are amended as follows:

“With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement.”

4. No release language set forth in the Franchise Agreement shall relieve Franchisor or any other person, directly or indirectly, from liability imposed by the laws concerning franchising of the State of Minnesota.
5. Item 17 of the Disclosure Document is amended to add the following and the following language will appear at the end of Section 21 of any Franchise Agreement issued in the State of Minnesota:

“Pursuant to Minnesota Statutes, Section 80C.21 and Minn. Rule Part 2860-4400J, this Section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the Minnesota Statutes Chapter 80C.”

6. Item 17 of the Disclosure Document and Section 21 of the Franchise Agreement are amended as follows:

“Nothing contained herein shall limited Franchisee’s right to submit matters to the jurisdiction of the courts of Minnesota to the full extent required by Minn. Rule 2860.4407J.”

EXHIBIT J

HIPAA BUSINESS ASSOCIATE AGREEMENT

This **HIPAA Business Associate Agreement** (“Agreement”), dated effective as of _____, 2024 (the “Effective Date”), is by and between _____ (“Covered Entity”) and _____ (“Business Associate”) and relates to Business Associate’s provision of Services on Covered Entity’s behalf as described in the Background paragraphs hereof. Hereinafter, Covered Entity and Business Associate may be referred to, each, as a “Party” and, collectively, as the “Parties”.

BACKGROUND

Covered Entity has engaged Business Associate, pursuant to the underlying services agreement(s) between the Parties (as may be amended, the “Services Contract”), to provide certain services for and on behalf of Covered Entity (the “Services”) as a result of which Covered Entity may Disclose Protected Health Information to Business Associate.

To the limited extent that Business Associate creates, receives, maintains, or transmits Protected Health Information on behalf of Covered Entity in connection with Business Associate’s performance of the Services, Business Associate shall be considered a Business Associate of Covered Entity.

Covered Entity and Business Associate intend to protect the privacy and provide for the security of Protected Health Information that may be Disclosed to Business Associate in connection with the Services in compliance with this Agreement and the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, as amended, along with its implementing regulations promulgated by the Secretary of the Department of Health and Human Services (“HHS”), including, the “Privacy Rule” (45 C.F.R. Part 160 and Subparts A and E of Part 164), the “Security Rule” (45 C.F.R. Part 160 and Subparts A and C of Part 164), and the “Breach Notification Rule” (45 C.F.R. Part 160 and Subparts A and D of Part 164), as each may be amended from time to time (collectively, “HIPAA”).

Covered Entity and Business Associate intend for this Agreement to meet those requirements under HIPAA that mandate a written agreement between a Covered Entity and its Business Associate, and for this Agreement to set forth each Party’s respective obligations in connection with each Party’s Use and Disclosure of Protected Health Information in connection with Business Associate’s performance of the Services.

NOW, THEREFORE, in consideration of the mutual promises below and the exchange of information provided for herein, the Parties, intending to be legally bound hereby, agree as follows:

AGREEMENT

1. **General.**

1.1. **Incorporation.** The Background paragraphs of this Agreement are hereby incorporated into this Agreement in full.

1.2. **Definitions.** Each capitalized term appearing in this Agreement not otherwise expressly defined herein shall have the meaning ascribed to it under HIPAA. The meanings given to the terms “Disclosure” and “Use” in 45 C.F.R. 160.103 shall also apply to those capitalized terms used herein that are in the plural or in any tense or variant of the terms “Disclosure” and “Use”, such as “Disclose”, “Discloses”, “Disclosing” and “Disclosed”, and “Uses”, “Using” and “Used”, respectively. “PHI” shall mean Protected Health Information that is created, received, maintained or transmitted by Covered Entity and is Used or Disclosed by Business Associate in order for Business Associate to perform the Services. “e-PHI” shall mean Electronic Protected Health Information that is created, received, maintained or transmitted by Covered Entity and is Used or Disclosed by Business Associate in order for Business Associate to perform the Services. “Unsecured PHI” shall mean Unsecured Protected Health Information that is created, received, maintained or transmitted by Covered Entity and is Used or Disclosed by Business Associate in order for Business Associate to perform the Services.

2. **Term.** This Agreement shall be effective as of the Effective Date and shall continue in full force indefinitely until terminated upon the earlier of either Party terminating this Agreement pursuant to Section 7.1 hereof or the termination or expiration of the Services Contract. Upon the termination of this Agreement for any reason, Section 7.2 hereof shall apply.\

3. **Obligations of Covered Entity.**

3.1. **Safeguards; Encryption.** Covered Entity shall comply with HIPAA and all applicable federal and state laws governing the privacy and security of health information. Covered Entity shall implement and maintain reasonable and appropriate administrative, technical and physical safeguards to ensure the privacy and security of PHI in accordance with the applicable standards and requirements under HIPAA. With respect to e-PHI, Covered Entity shall: (i) ensure the confidentiality, integrity, and availability of all e-PHI Covered Entity creates, receives, maintains, or transmits; (ii) protect against any reasonably anticipated threats or hazards to the security or integrity of such e-PHI; (iii) protect against any reasonably anticipated uses or disclosures of such e-PHI that are not permitted or required under HIPAA; and (iv) ensure compliance with the Security Rule by its Workforce. Covered Entity shall implement security measures to protect e-PHI transmitted to Business Associate from unauthorized access, which may include use of the Transport Layer Security (“TLS”) protocol or other encryption mechanism.

3.2. **Permissible Requests; Minimum Necessary.** Covered Entity shall not request Business Associate to Use or Disclose PHI in any manner that, if done by Covered Entity, would not be permissible under HIPAA, all applicable federal and state law or any applicable third-party agreement to which Covered Entity is a party. Furthermore, Covered Entity shall Disclose to Business Associate only the amount of PHI that Covered Entity determines to be the minimum necessary for Business Associate to perform its obligations under the Services Contract. Covered Entity shall adhere to all applicable minimum necessary standards established from time to time by HHS or any other federal or state agency.

3.3. **Notice of Privacy Practices.** If Covered Entity is required under HIPAA to maintain a Notice of Privacy Practices (“NPP”), Covered Entity shall promptly provide Business Associate with its current NPP, and any amendments thereto or replacements thereof, to the extent that the

terms of the NPP will affect Business Associate's performance under the Services Contract or this Agreement or Business Associate's compliance with HIPAA.

3.4. Prompt Notification. To the extent that it affects Business Associate's performance of its obligations under this Agreement or the Services Contract or Business Associate's compliance with HIPAA, Covered Entity shall promptly notify Business Associate of any and all requests it receives by or on behalf of any and all Individuals with respect to Covered Entity's obligations under 45 C.F.R. 164.522 (restricting Disclosure of PHI), 164.524 (providing access to or a copy of PHI), 164.526 (amending PHI), or 164.528 (accounting of Disclosures of PHI).

3.5. Authority. Covered Entity represents and warrants that it is authorized under HIPAA, all applicable federal and state laws, and all applicable third-party agreements to which Covered Entity is a party to Disclose PHI to Business Associate for the purpose of Business Associate's provision of the Services. Covered Entity shall promptly notify Business Associate if the immediately preceding sentence ceases to be true, including instances where a third party implements any restriction or limitation which may affect Business Associate's ability to render the Services or to Use or Disclose PHI pursuant to the terms of this Agreement.

4. Obligations of Business Associate.

4.1. Permitted Uses and Disclosures, Generally. Subject to the terms of this Agreement and HIPAA, Business Associate may Use or Disclose any and all PHI it creates, receives, maintains or transmits on behalf of Covered Entity, as follows:

4.1.1. Purpose and Scope. Business Associate may Use or Disclose PHI as follows: (i) as permitted hereunder to provide or perform the Services; (ii) as Required by Law; or (iii) as otherwise permitted under HIPAA and applicable law.

4.1.2. Amount of Information. Business Associate may Use or disclose only the minimum necessary amount of PHI needed, in Business Associate's discretion, for Business Associate to render the Services, and Business Associate shall adhere to all applicable minimum necessary standards established from time to time by HHS or any other federal or state agency.

4.1.3. Use for Management and Administration. Business Associate may Use PHI if such Use is necessary: (i) for the proper management and administration of Business Associate; or (ii) to carry out the legal responsibilities of Business Associate.

4.1.4. Disclosure for Management and Administration. Business Associate may Disclose PHI to a third party for the proper management and administration of Business Associate if: (i) the Disclosure is Required By Law; or (ii) Business Associate obtains from such third party reasonable assurances that: (a) PHI will be held confidentially and in compliance with HIPAA, and Used or further Disclosed by such third party only as Required By Law or for the purpose for which it was Disclosed to such third party; and (b) the third party will notify Business Associate, without unreasonable delay, of any Breach or potential Breach of PHI of which such third party becomes aware.

4.2. Uses or Disclosures Requiring Prior Authorization. Business Associate understands that, except as expressly provided in this Agreement or permitted under HIPAA and applicable federal and state laws, it shall not Disclose PHI to any third party without first having received an authorization that complies with 45 C.F.R. 164.508 (“Authorization”) from the affected Individual(s). To the extent Disclosure of PHI to a third party is required for Business Associate to render the Services, Covered Entity shall assist Business Associate in obtaining, or obtain for Business Associate, the necessary Authorizations. Business Associate shall retain a copy of each Authorization it obtains pursuant to this Section 4.2 in accordance with the retention requirements set forth in 45 C.F.R. 164.508.

4.3. Prohibited Uses and Disclosures. Business Associate shall not directly or indirectly accept remuneration in exchange for Using or Disclosing any PHI, except Business Associate may accept such remuneration from Covered Entity in exchange for Services rendered by Business Associate on Covered Entity’s behalf. Furthermore, Business Associate shall not Use or Disclose PHI as follows: (i) for Marketing, except with the applicable Individual’s Authorization; (ii) other than as permitted or required by this Agreement or as Required By Law; or (iii) in any manner that would violate HIPAA or other applicable law if done by Covered Entity. Business Associate shall take reasonable measures to mitigate the harmful effect of any Use or Disclosure of PHI by Business Associate that is not in accordance with the terms of this Agreement.

4.4. Security Matters.

4.4.1. General. Business Associate shall comply with the requirements of the Security Rule, as it applies to Business Associate.

4.4.1.1. Safeguards; Encryption. Business Associate shall comply with HIPAA and all applicable federal and state laws governing the privacy and security of health information. Business Associate shall implement and maintain reasonable and appropriate administrative, technical and physical safeguards to prevent the Use or Disclosure of PHI other than as permitted under this Agreement.

4.4.1.2. Documentation. Business Associate shall maintain records, in hard copy or electronic format, of the following, and retain such records in accordance with 45 C.F.R. 164.316(b)(2)(i): (i) policies and procedures implemented by Business Associate to comply with the Security Rule; and (ii) any action, activity or assessment required of Business Associate under the Security Rule.

4.4.2. Reporting Breaches and Security Incidents.

4.4.2.1. Reporting Breaches of PHI. Business Associate shall comply with the notification requirements under HIPAA relating to a Breach of PHI, including the applicable provisions of the Breach Notification Rule. Business Associate shall promptly report to Covered Entity any Breach of PHI. Business Associate shall make such report to Covered Entity within **ten (10) calendar days** from the date that Business Associate discovers such Breach. For purposes of this Agreement, Business Associate shall be deemed to have “discovered” a Breach as of: (i) the first day on which such Breach is actually known to any person that is an agent of Business Associate in accordance with the federal common law of agency, or that is a member of

Business Associate's Workforce; or (ii) by exercising reasonable diligence, the first day on which such Breach should have been known to Business Associate. Business Associate shall take all commercially reasonable steps to allow it to discover Breaches of PHI.

4.4.2.2. Assistance and Cooperation. The Parties shall assist and cooperate with each other as reasonably necessary for each Party to comply with the Breach Notification Rule. If Business Associate or any of Business Associate's Subcontractors is the direct cause of a Breach of PHI, Business Associate shall provide Covered Entity with administrative support and other resources as may be reasonably requested by Covered Entity to assist Covered Entity to satisfy its obligations, if any, under the Breach Notification Rule.

4.4.2.3. Reporting Security Incidents. Consistent with this Section 4.4.2.3, Business Associate shall report as soon as practicable to Covered Entity any Security Incident of which Business Associate becomes aware that involves PHI. Notwithstanding the immediately foregoing sentence, Business Associate and Covered Entity acknowledge the ongoing existence and occurrence of attempted but unsuccessful Security Incidents that are inconsequential or harmless in nature, such as pings and port scans, and Business Associate is not required to provide Covered Entity with subsequent notification upon the occurrence of such unsuccessful Security Incidents. Nevertheless, to the extent that Business Associate becomes aware of a pattern or an unusually high number of such unsuccessful Security Incidents involving PHI and resulting from the repeated acts by a single person or entity, Business Associate shall notify Covered Entity of such attempts.

4.4.2.4. Notice of Breach or Security Incident. To the extent Business Associate is required to provide Covered Entity with notice of any Breach of PHI under Section 4.4.2.1 hereof, or any Security Incident involving PHI under Section 4.4.2.3 hereof, Business Associate shall provide such notice to Covered Entity in writing pursuant to Section 13.5 hereof (relating to issuing notices hereunder) to Covered Entity's Privacy Officer, Security Officer, or other person designated by Covered Entity for receipt of such notice or, if Covered Entity has identified an email address for such notifications, by way of electronic mail to the email address identified by Covered Entity.

4.5. Requested Restrictions. To the extent instructed by Covered Entity in writing, Business Associate shall comply with a request by an Individual to restrict Disclosure of the Individual's PHI to a health plan in accordance with 45 C.F.R. 164.522. Business Associate shall promptly direct to Covered Entity all such requests Business Associate receives directly from an Individual.

4.6. Availability of Information. Business Associate shall make available to Covered Entity such information in Business Associate's possession that is necessary to permit Covered Entity to fulfill its obligations to provide access to, provide a copy of, to amend and to account for Disclosures of PHI pursuant to 45 C.F.R. 164.524, 164.526, and 164.528.

4.7. Data Aggregation and De-identification. Except as otherwise limited in this Agreement, Business Associate may use PHI to provide data aggregation services to Covered Entity as permitted by 45 C.F.R. 164.504(e)(2)(i)(B) and to create de-identified data in accordance with the implementation specifications set forth at 45 C.F.R. 164.514.

4.8. **Business Associate’s Subcontractors.** Business Associate shall enter into a written agreement with each of its Subcontractors that Use or Disclose PHI that satisfies the applicable requirements under HIPAA with respect to Subcontractor’s Use or Disclosure of PHI (the “Subcontractor Agreement”). In the event that Business Associate knows of a pattern of activity or practice of any of those Subcontractors that constitutes a material breach or material violation of the applicable Subcontractor Agreement, Business Associate shall take reasonable steps to cause such Subcontractor to cure such breach or end such violation, as applicable. If such steps to cure such breach or end such violation are unsuccessful, Business Associate shall terminate the applicable Subcontractor Agreement and, to the extent feasible, those provisions of such Subcontractor’s underlying services agreement or arrangement with Business Associate that require or permit the Use or Disclosure of PHI.

4.9. **Internal Practices.** Business Associate shall make its internal practices, books and records relating to the Use and Disclosure of PHI available to HHS for purposes of determining Covered Entity’s compliance with HIPAA.

4.10. **Application of Privacy Rule.** To the extent Business Associate is to carry out a function or obligation of Covered Entity with respect to the Privacy Rule, Business Associate shall comply with the requirements under the Privacy Rule that apply to Covered Entity in the performance of such function or obligation.

5. **State Law.** Business Associate and Covered Entity shall comply with any provision or requirement concerning privacy or security of information under any state law applicable to Business Associate’s Use and Disclosure of PHI that is more stringent than a similar provision or requirement under HIPAA, as provided in 45 C.F.R. 160.203.

6. **Information on Safeguards.** Upon Covered Entity’s reasonable request, which shall be in writing, Business Associate shall provide Covered Entity with information concerning the safeguards and/or other information security practices that the Business Associate utilizes to protect the confidentiality of PHI in its possession.

7. **Termination.**

7.1. **Terminable Events.**

7.1.1. **Noncompliance.** If either Party (the “**Notifying Party**”) becomes aware of an activity or practice by the other Party (the “**Breaching Party**”) that constitutes a material breach or material violation of the Breaching Party’s obligations under this Agreement, HIPAA or any other applicable privacy or security law, the Notifying Party shall notify the Breaching Party of such breach or violation. Thereafter, the Breaching Party shall have an opportunity to cure such breach or end such violation, as applicable, within a reasonable timeframe as agreed to by the Parties (the “**Cure Period**”). Following receipt of the aforementioned notice, if the Breaching Party does not take reasonable steps to or otherwise does not successfully cure the breach or end the violation, as applicable, then, following the expiration of the Cure Period, the Notifying Party is permitted to terminate this Agreement. An activity or practice that shall constitute a material breach hereof, as referenced in the first sentence of this

Section 7.1.1, shall include the following occurrences: (i) the other Party is named as a defendant in a criminal proceeding that involves a violation of HIPAA; or (ii) a finding or stipulation is made in any administrative or civil proceeding, in which such other Party has been joined, that the other Party has violated any standard or requirement of HIPAA or other applicable security or privacy law or regulation, federal or state. The foregoing is not intended to, and does not, limit any other remedy which may be available to the Notifying Party hereunder or as a matter of law.

7.1.2. Completion of Services Requiring Use or Disclosure of PHI. In the event that Business Associate's continued representation of Covered Entity no longer requires Business Associate to Use or Disclose PHI, either Party shall be permitted to terminate this Agreement upon so notifying the other Party of such intent in writing.

7.2. Effect of Termination. Upon termination of this Agreement or the Services Contract for any reason, Business Associate shall return to Covered Entity, or destroy, all PHI that Business Associate still maintains in any form, and shall retain no copies of such PHI, or if return or destruction of all or any portion of PHI is not feasible as determined by Business Associate, Business Associate shall continue to extend the protections of this Agreement to such information, and limit further Use or Disclosure of PHI to those purposes that make the return or destruction of such PHI infeasible. Any term or provision of this Agreement that, by its nature, is intended to survive the termination of this Agreement, shall survive the termination of this Agreement, including this Section 7.2 and Sections 4.4.1, 4.4.2, 10, and 13 hereof.

8. **Disclaimer.** Neither Party represents or warrants to the other Party that compliance by the other Party with this Agreement will be adequate or satisfactory for such other Party's own purposes, including such other Party's compliance with applicable law, or that any information in such other Party's possession or control, or transmitted or received by such other Party, is or will be secure from unauthorized Use or Disclosure. Each Party is solely responsible for all decisions made by such Party regarding the safeguarding of PHI.

9. **Change of Law.** The Parties acknowledge that state and federal law and regulation relating to electronic data security and privacy, including, HIPAA, are rapidly evolving and that the Parties may be required to amend this Agreement in order to ensure each Party's compliance with applicable law or regulation. Accordingly, if either Party reasonably determines that this Agreement must be amended in order for the Parties to be compliant with applicable law or regulation, such Party shall so notify the other Party, and the Parties shall then promptly enter into negotiations concerning the terms of such amendment, to the extent required for the Parties to be compliant with applicable law or regulation. If either Party requests an amendment to this Agreement pursuant to this Section 9 and (i) the other Party fails to promptly enter into negotiations to establish the terms of such amendment or (ii) the other Party refuses to enter into the agreed upon amendment following such negotiations or terminates such negotiations, then either Party may terminate this Agreement and that portion of the Services Contract that requires or permits Covered Entity to Disclose PHI to Business Associate, upon thirty (30) days' advance written notice to the other Party.

10. **No Third-Party Beneficiaries.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity and

Business Associate and their respective heirs, representatives, successors and assigns, any rights, remedies, obligations or liabilities whatsoever, whether as creditor beneficiary, donor beneficiary or otherwise.

11. **Independent Contractor.** Nothing contained herein shall be deemed or construed by the Parties hereto or by any third party as creating the relationship of employer and employee, principal and agent, partners, joint venturers or any similar relationship, between the Parties hereto. Covered Entity and Business Associate acknowledge that Business Associate is an independent contractor, and not an agent, of Covered Entity, and Business Associate shall be solely liable for the payment of all income, unemployment, workers' compensation, Social Security insurance or similar taxes or assessments on the fees or other remuneration paid or to be paid to Business Associate by Covered Entity.

12. **Insurance.** Each Party represents and warrants that it currently maintains one or more liability insurance policies, with reputable carriers, at commercially reasonable coverage limits, based on the size, operations and business of such Party. Each Party shall maintain such coverage throughout the term of this Agreement.

13. **Miscellaneous.**

13.1. **Entire Agreement.** This Agreement supersedes all prior or contemporaneous agreements, written, oral or electronic, between Covered Entity and Business Associate with respect to the subject matter hereof and contains the entire understanding and agreement between the Parties with respect to the subject matter hereof.

13.2. **Governing Law.** This Agreement shall be governed by and construed in accordance with the applicable law governing the Services Contract without regard to conflict of laws principles.

13.3. **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of each Party hereto and their respective heirs, representatives, successors and assigns.

13.4. **Mutual Negotiation.** Each and every provision of this Agreement has been mutually negotiated, prepared and drafted and, in connection with the construction of any provisions hereof, no consideration shall be given to the issue of which Party actually prepared, drafted, requested or negotiated any provision of this Agreement, or its deletion.

13.5. **Notices.** Except as otherwise expressly permitted under Section 4.4.2., all notices, demands and other communications to be made by either Party under this Agreement ("Notice") shall be given in writing and shall be deemed to have been duly given if personally delivered or sent by confirmed facsimile transmission, confirmed (read receipt) email, recognized overnight courier service which provides a receipt against delivery, or certified or registered mail, postage prepaid, return receipt requested, to the other Party at the address provided by such other Party to the first Party from time to time. Notice shall be deemed effective, if personally delivered, when delivered; if sent by confirmed facsimile transmission, when sent; if sent by confirmed email, when read; if sent by overnight delivery, on the first business day after being sent; and if mailed in accordance herewith, at midnight on the third business day after such Notice is deposited with the U.S. Postal Service.

13.6. Modification. This Agreement shall be amended or superseded only by a written instrument that references this Agreement and is signed by both Parties.

13.7. Preservation of Rights. No delay on the part of any Party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any such right, power or privilege, nor any single or partial exercise of any right, power or privilege, preclude any further exercise thereof or the exercise of any other such right, power or privilege. No term of this Agreement shall be deemed waived unless such waiver is in writing and such writing is signed by the Party waiving compliance with such term.

13.8. Provisions Severable. The provisions of this Agreement are independent of and severable from each other. No provision will be affected or rendered invalid or unenforceable by virtue of the fact that, for any reason, any one or more of any of the provisions of this Agreement may be deemed invalid or unenforceable in whole or in part.

13.9. Counterparts. This Agreement may be executed by the Parties hereto in separate counterparts, each of which when so executed shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties. For purposes of this Agreement, signatures received electronically or by facsimile transmission shall be deemed original signatures.

13.10. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that complies with, and is consistent with, HIPAA. In the event of any conflict with respect to the subject matter of this Agreement between the provisions of this Agreement and the Services Contract, the provisions of this Agreement shall be controlling and effective to the extent of such conflict. The headings in this Agreement are for convenience of reference only and shall not be used to interpret or construe its provisions. Furthermore, any reference in this Agreement to a section in HIPAA or any other law, regulation or guidance means such referenced authority as in effect from time to time. The words “include” or “including” are intended to be interpreted as if followed in each case by the words “without limitation”. For purposes of this Agreement, unless the context of this Agreement clearly requires otherwise, (i) the word “or,” has the inclusive meaning represented by the phrase “and/or”; (ii) the word “hereof” shall have the same meaning as the phrase “of this Agreement”; and (iii) the word “hereunder” shall have the same meaning as the phrase “under this Agreement”.

13.11. Limitation on Damages. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS AGREEMENT, IN NO EVENT SHALL EITHER PARTY HERETO BE LIABLE TO THE OTHER PARTY HERETO FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, DAMAGES FOR LOSS OF PROFITS, DATA OR USE, INCURRED BY THE OTHER PARTY OR ANY THIRD PARTY, WHETHER IN AN ACTION IN CONTRACT OR TORT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

(signature page follows)

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement on the day and year below written.

COVERED ENTITY

BUSINESS ASSOCIATE

By: _____

Title: _____

Print Name: _____

Date: _____

By: _____

Title: _____

Print Name: _____

Date: _____

EXHIBIT K
MANAGED SERVICES ADDENDUM

**NOWLOGY
MANAGED SERVICES ADDENDUM TO FRANCHISE AGREEMENT**

This MANAGED SERVICES ADDENDUM TO FRANCHISE AGREEMENT (“Addendum”) is made effective as of _____, 20___, by and between NOWLOGY FRANCHISING, LLC, a Minnesota limited liability company (“Franchisor”), and the following franchisee (“Franchisee”):

Name of Franchisee: _____

Form of Franchisee: Corporation formed in the state of _____
 Limited liability company formed in the state of _____
 Partnership formed in the state of _____
 Individual residing in the state of _____

RECITALS

A. Franchisor and Franchisee have entered into that certain Franchise Agreement, dated as of _____, 20___ (the “Franchise Agreement”), pursuant to which Franchisor has granted Franchisee the right to operate a Nowlogy Clinic pursuant to the Nowlogy Franchise Disclosure Document (the “Franchise”).

B. The Franchise will be located in a jurisdiction that adheres to the corporate practice of medicine doctrine as applied to counseling, therapy, and mental health services (“CPOM”).

C. Franchisee desires to operate its Franchise by contracting to provide management, administrative, marketing, technology, and facility-based services, pursuant to a management services agreement or similar arrangement prepared by Franchisee (the “MSA”), to a professional corporation, limited liability company, or partnership (a “Practice Entity”) licensed and authorized to provide counseling, therapy, and mental health products and services through Licensed Providers in the state in which the Franchise is located or operates. The Nowlogy clinic that is owned and operated by the Practice Entity and managed by the Franchisee pursuant to the MSA and using the System of Operation and Names and Marks is referred to in this Addendum as the “Clinic.”

D. Franchisor and Franchisee mutually desire to amend and supplement the terms of the Franchise Agreement pursuant to the terms and conditions provided in this Addendum.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Franchisor and Franchisee hereby agree as follows:

1. **Definitions.** Capitalized terms used but not defined in this Addendum have the meanings ascribed thereto in the Franchise Agreement.

2. **CPOM Compliance.** Franchisee agrees that its operation of the Franchise must be, in all respects, compliant with applicable law, including, but not limited to, the application of the CPOM, and that Franchisee and the Practice Entity are solely responsible for compliance with all

applicable laws. In its operation of the Franchise, Franchisee shall cause the Practice Entity and the Licensed Providers to take no actions in contravention of Franchisee's obligations under the Franchise Agreement.

(a) **PE Agents.** Within thirty (30) days of the date of this Addendum, Franchisee shall submit to Franchisor full and complete information about the owners, Licensed Providers, and employees of the Practice Entity ("PE Agents"), and such other licensure or other information about the Practice Entity and its PE Agents as Franchisor may reasonably request. Franchisor will approve or reject each PE Agent, in its sole discretion, within thirty (30) days of its receipt of such information and Franchisee's request for such approval. If Franchisor does not approve of the PE Agents, Franchisee shall propose different PE Agents for Franchisor's approval. The Franchise Agreement may be terminated by Franchisor if Franchisee has not obtained Franchisor's approval of the PE Agents on or before the date that is one hundred twenty (120) days after the date of this Addendum.

(b) **MSA.** Upon obtaining Franchisor's approval of the PE Agents, Franchisee shall enter into a MSA with a Practice Entity approved by Franchisor; provided, however, Franchisor's approval of the form and content of the MSA is required prior to Franchisee entering into the MSA, which approval Franchisor may withhold and/or condition in its sole discretion. After such approval of the form and content of the MSA by Franchisor, Franchisee shall not agree to amend or modify the MSA, without the Franchisor's express written approval, which may be withheld or conditioned in its sole and absolute discretion. Franchisor makes no representation or warranty as to the enforceability of any MSA, or whether any MSA meets the legal requirements of the jurisdiction in which Franchisee and the Practice Entity do business. Franchisee acknowledges and agrees that it is Franchisee's and the Practice Entity's responsibility to ensure the MSA meets all laws and regulations applicable to the Franchise and Clinic.

(c) **Management Services.** Franchisee's operation of the Franchise shall consist of managing the Clinic pursuant to an approved form of MSA between Franchisee and an approved Practice Entity. The foregoing shall be included in the definition of "Franchise". Pursuant to the MSA, Franchisee shall provide the Practice Entity with management, administrative, marketing, technology, and facility-based services, but not counseling, therapy, or mental health products, services, or advice, or judgment, in a manner consistent with the System of Operation and all applicable laws (including CPOM), and the Practice Entity shall retain exclusive authority and discretion to direct the medical, professional, and ethical aspects of the counseling, therapy, and mental health practice at the Clinic.

(d) **Organizational Documents.** Franchisee's organizational documents, bylaws, operating agreement, or partnership agreement, as applicable, as well as the organizational documents, bylaws, operating agreement, or partnership agreement of the Practice Entity, shall restrict the issuance and transfer of any ownership interests in Franchisee and the Practice Entity, and all certificates and other documents representing ownership interests in Franchisee or the Practice Entity shall bear a legend referring to this Addendum's and the Franchise Agreement's restrictions.

3. **Practice Entity Statement of Ownership and Management.** Upon approval of the Practice Entity, Franchisee shall complete the Practice Entity Statement of Ownership and

Management attached hereto with respect to the approved Practice Entity. Franchisee shall immediately notify Franchisor of any change in any of the information in the Practice Entity Statement of Ownership and Management last submitted to Franchisor. Further, upon request of Franchisor, Franchisee shall provide Franchisor with an updated Practice Entity Statement of Ownership and Management. Unless otherwise permitted by applicable law, the Practice Entity must be wholly owned by one (1) or more Licensed Providers.

4. **Renewal Conditions.** Section 2.6 of the Franchise Agreement is hereby amended to add the following subsection (k): (k) You enter into an approved form of MSA with the Practice Entity for the renewal term and You shall ensure the maintenance by the Practice Entity, the owners of the Practice Entity, and Licensed Providers providing services on behalf of the Practice Entity of unrestricted license(s) to practice counseling, therapy, and mental health medicine within the jurisdiction in which the Nowlogy Clinic is located, and the maintenance of such qualifications during the entirety of the Term and renewal thereof.

5. **Commencement of Operations.** Section 4.4 of the Franchise Agreement is hereby replaced with the following:

4.4 **Commencement of Operations.** You shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations or which may be necessary as a result of any restrictive covenants relating to the Location. Prior to beginning the construction of the Nowlogy Clinic, you shall (i) obtain all permits, licenses and certifications required for the lawful construction or remodeling and operation of the Nowlogy Clinic, and (ii) provide us copies of all minimum required insurance coverage evidencing it is in full force and effect and that all required approvals, clearances, permits and certifications have been obtained. You, or the Practice Entity, must open the Nowlogy Clinic no later than twelve (12) months immediately following the execution of this Agreement. If you or the Practice Entity fail to open the Nowlogy Clinic in accordance with the preceding sentence, we may, at our sole option, terminate this Agreement and you have no right to refund of your Initial Franchise Fee or any other costs, fees or expenses related to the Franchise.

6. **Employees.** Section 7 of the Franchise Agreement is hereby replaced with the following:

7. **EMPLOYEES.**

7.1 **Personnel Development.** You, or your Practice Entity, will have the sole authority and control over the day-to-day activities of your employees. You, or your Practice Entity, will be solely responsible for recruiting, training and developing all employees, staff, workers, independent contractors, and any other personnel as may be needed ("Personnel"). You, or your Practice Entity, are responsible for making sure all Personnel are capable of performing their duties in accordance with System Standards. When hiring Personnel, you shall, and shall cause your Practice Entity, to use best efforts to hire qualified and competent employees. You, or your Practice Entity, are solely responsible for the supervision of your employees. You, or your Practice Entity, will decide the compensation to be paid to your Personnel. We will

not be responsible for payment of any compensation to you or your Personnel. At no time will you or your employees, or your Practice Entity's employees, be deemed to be employees of us or our affiliates.

You shall take such steps as are necessary to ensure that your Personnel, or your Practice Entity's personnel, do not violate any System policies relating to the use of Social Media Platforms (as defined in Section 10.1(d)), including prohibiting employees from posting any information relating to us, the System, the Marks, or the Nowlogy Clinic that is inconsistent with such policies. You shall not, however, prohibit or restrict any social media communications or activity by your employees, or your Practice Entity's employees, which prohibition or restriction violates your employees' right to engage in protected concerted activity under the National Labor Relations Act.

Furthermore, if you offer medication management services through Licensed Providers, you, or your Practice Entity, must hire and retain at least one (1) medication management assistant per each Qualified Prescriber working at the Nowlogy Clinic to provide support services to that Qualified Prescriber. The medication management assistant must work an equivalent number of hours per week as the Qualified Prescriber in order to ensure adequate support.

7.2 Owners and Staff Confidentiality Agreements. Your Owner(s), Operating Partner, Clinic Director, each of your Owner's spouses, and all Personnel who attend any training we provide or who have access to our Confidential Information (as defined in Section 17.1), including the Practice Entity, as allowed under applicable law, must sign a Confidentiality, Non-Use and Non-Competition Agreement in the form attached to this Agreement as Exhibit C ("Restrictive Covenant Agreement"). With respect to all Personnel, such agreements must be signed on or before the date such person is hired. You must provide us with a copy of each Restrictive Covenant Agreement within five (5) days after it is signed.

7.3 Taxes and Related Matters. You, or the Practice Entity, shall be responsible for income and other taxes required to be withheld and hereby assume full responsibility for payment of the employer's portion of any social security, federal and state taxes and any other taxes required to be withheld for your Personnel. You, or the Practice Entity, shall also pay and/or withhold taxes and premiums for unemployment and workers' compensation insurance for your Personnel, as required by state and/or federal law.

7. Independent Medical Judgement. Section 8.5 of the Franchise Agreement is hereby replaced with the following:

8.5 Independent Medical Judgment. Notwithstanding Franchisor's right to require Franchisee to operate its Nowlogy Clinic in accordance with the System, and the standards set from time to time by Franchisor, Franchisor and Franchisee recognize that the practice of mental health, counseling, or therapy is a profession requiring independent judgment, skill, and training and is governed by federal, state, and local laws and regulations. By granting Franchisee a Franchised Business, Franchisor is not engaging in the practice of medicine, mental health, counseling, therapy, or any other profession that requires specialized training, licensure, or

certification. Franchisee, or the Practice Entity, must not engage in the practice of medicine, mental health, counseling, therapy, or any other profession that requires specialized training, licensure, or certification unless properly trained, licensed, and certified. This Agreement will not interfere, affect, or limit the independent exercise of medical judgment by the Practice Entity or Licensed Providers. Franchisor does not interfere, affect, or limit the independent exercise of medical judgment by the Practice Entity or Licensed Providers. However, Franchisee must, and will cause the Practice Entity to, adhere to all applicable laws including any state standards on counseling and therapeutic services. Any inconsistency between the standards of the System or the advice of Franchisor, on the one hand, and any legal requirement, on the other hand, is inadvertent and not an effort to cause Franchisee or the practice Entity to deviate from such legal requirements or the proper practice of its profession. Therefore, Franchisor and Franchisee understand and agree that (1) in all cases, lawful, regulatory requirements take precedence over any inconsistent advice, counsel, or other guidance offered by Franchisor as well as any inconsistent standards Franchisor may prescribe; (2) no business advice given by Franchisor nor any standard Franchisor prescribes or recommends shall be taken as advice in respect of the practice of the profession of mental health, counseling, or therapy, as defined by law; and (3) in any case in which Franchisee or the Practice Entity believes that Franchisor's advice or standards contravene the practice of the profession of mental health, counseling, or therapy or any legal requirements of that practice, Franchisee will notify Franchisor, orally and in writing, immediately. Franchisee acknowledges and agrees that it is not authorized and shall not engage in the practice of medicine, mental health, counseling, or therapy at any time, and, to the extent required by CPOM in the jurisdiction in which the Nowology Clinic is located, the Practice Entity shall retain exclusive authority and discretion to direct the medical, professional, and ethical aspects of the counseling and therapy medical practice at the Clinic.

8. **Compliance with System Operations.** Section 11.1 of the Franchise Agreement is hereby amended to replace "You shall comply with the entire System..." with "You shall, and shall cause your Practice Entity, to comply with the entire System..."

9. **Compliance with Laws.** Section 11.3 of the Franchise Agreement is hereby replaced with the following:

11.3 **Compliance with Laws.** You will comply, and will cause the Practice Entity to Comply, with all laws and regulations applicable to its Franchise, including all zoning laws, licensing and permitting requirements, corporate practice of medicine laws, the Health Insurance Portability and Accountability Act of 1996, or HIPAA, the Health Information for Economic and Clinical Health Act, or HITECH, anti-kickback laws (including the Federal Medicare Anti-Kickback law and state Medicaid laws concerning reimbursement for services for those who participate in Medicaid), prohibitions on fee splitting and self-referral restrictions (including the federal "Stark Law" and similar state laws), payment systems for medical benefits available to individuals through private insurance and government resources (including Medicare and Medicaid), and the Americans With Disabilities Act.

Without limiting the foregoing, all Licensed Providers and other persons offering counseling, therapy, or other medical or health products or services at the Nowlogy Clinic must be properly licensed or otherwise permitted to provide such products and services under all applicable laws and regulations. Further, the Operating Manual may require that you take certain actions related to Medicare, Medicaid, and other government programs, in compliance with applicable laws and our standards.

10. **Clients.** Franchisee acknowledges and agrees that references to “clients” and “patients” in the Franchise Agreement shall refer to clients or patients of the Clinic.

11. **Marks.** Subject to the terms and conditions of this Addendum, the Franchise Agreement and Confidential Manual(s), Franchisor hereby grants Franchisee the right to grant a sublicense to the Marks to the Practice Entity solely in connection with the operation of the Clinic by the Practice Entity. Such sublicense shall be set forth in the MSA or addendum thereto and shall, among other things: (a) not exceed the scope of Franchisee’s limited rights to use the granted under the Franchise Agreement; (b) terminate immediately upon termination or expiration of the Franchise Agreement; (c) require that Franchisor review and approve the Practice Entity’s use of the Marks prior to such use; (d) prohibit the Practice Entity from using the Marks in any manner for which it is not appropriately licensed or otherwise qualified under applicable law; and (e) include the terms and conditions of Section 10 of the Franchise Agreement.

12. **Franchisee Indemnification.** Section 14.1 of the Franchise Agreement is hereby replaced with the following:

14.1 **By You.** You agree to indemnify, defend and hold harmless us, our affiliates and us and our affiliates’ respective members, managers, directors, officers, owners, employees, agents, contractors, advisors, successors and assignees (the “Indemnified Parties”) against and to reimburse any one (1) or more of the Indemnified Parties for all losses, expenses, judgments, settlements, claims, liabilities, attorneys’ fees, costs (including, without limitation, expert witness fees, court costs, accountants’ fees, travel and living expenses) and damages arising out of any claim directly or indirectly (i) related to the operation of your Franchise or Clinic; (ii) related to on-site training, assistance or support provided to you or the Practice Entity by our employees or personnel; (iii) arising out of a breach of this Agreement or any other agreement with us or any of our affiliates; or (iv) any and all taxes described in this Agreement provided, however, that you shall not be required to hold harmless or indemnify us for any losses relating to any claim to the extent such losses arise out of our gross negligence or willful misconduct. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Under no circumstances will we or any other Indemnified Party be required to seek recovery from any insurer or other third party, or otherwise to mitigate our, their or your losses and expenses. You agree that a failure to pursue such recovery or mitigate a loss will in no way reduce or alter the amounts we or another Indemnified Party may recover from you.

13. **Reports, Financial Statements, Inspections and Audits.** Section 15 of the Franchise Agreement is amended to provide that any rights to inspect or audit shall extend to the Practice Entity, and Franchisee shall cause the Practice Entity to comply with the requirements of Franchise in Section 15 of the Franchise Agreement.

14. **Termination by Franchisor.** The references to “You” in Sections 18.2 and 18.3 of the Franchise Agreement shall be replaced with “You or the Practice Entity”; provided, however, that any notices required to be delivered by Franchisor under Sections 18.2 and 18.3 of the Franchise Agreement shall only be required to be delivered to Franchisee (and not the Practice Entity). Section 18.2 of the Franchise Agreement is hereby amended to add the following subsection (p): “(p) You are in breach or default of the MSA and such failure continues for thirty (30) days after notice to You, or if the MSA terminates or expires for any reason and Franchisee fails to enter into a new MSA, subject to Our approval, within thirty (30) days after notice to You.”

15. **Practice Entity Compliance.** Franchisee acknowledges and agrees that in its operation of the Franchise and management of the Clinic pursuant to the MSA, Franchisee shall, and cause the Practice Entity to, comply with, and to take no actions that cause Franchisee’s non-compliance with, all applicable requirements set forth and described in the Franchise Agreement, as if the Practice Entity and the Clinic were the Franchisee and the Franchise, respectively, pursuant to the Franchise Agreement. Franchisee shall cause the Practice Entity to take no actions in contravention of Franchisee’s obligations pursuant to the Franchise Agreement. The MSA shall include Franchisor’s right to enforce its rights in the Marks, Operations Manual(s) and the Franchise and indicate that Franchisor is a third party beneficiary and entitled to enforce the terms and conditions of the MSA. Notwithstanding any MSA, Franchisee shall remain primarily liable to Franchisor for all of Franchisee’s duties and obligations contained in the Franchise Agreement. Any act or omission of the Practice Entity that would be a breach or default of the Franchise Agreement if committed or omitted by the Franchisee will be deemed a breach or default by the Franchisee. The MSA shall contain a right of termination by Franchisee for the Practice Entity’s breach or default of any terms or conditions of the MSA that is also set forth in substance in the Franchise Agreement, which breach or default would constitute a breach or default of the Franchise Agreement if the Franchisee failed to comply therewith.

16. **Defaults.** Upon any material default of the Franchise Agreement, unless such default is cured, Franchisor reserves the right, in its sole discretion, to terminate this Addendum (without terminating the Franchise Agreement), in which case the terms and conditions of the Franchise Agreement shall control and remain in full force and effect, subject to its terms and conditions, as if not modified by this Addendum; provided, however, that this Section 16 shall not prohibit or restrict Franchisor’s rights to terminate the Franchise Agreement as provided in the Franchise Agreement.

17. **No Transfer.** Neither this Addendum, nor Franchisee’s rights hereunder, may be sold, assigned, or transferred by Franchisee, regardless of Franchisor’s written consent to any direct or indirect sale, assignment, or transfer as defined under Section 16 of the Franchise Agreement, and this Addendum shall automatically terminate upon such sale, assignment, or transfer as defined under Section 16 of the Franchise Agreement (unless otherwise agreed by Franchisor).

18. **Effect on Franchise Agreement.** This Addendum shall terminate upon the termination or expiration of the earlier of the Franchise Agreement or MSA. The terms of this Addendum are expressly made subject to and governed by the Franchise Agreement. Except as specifically amended hereby or by any other Addendum thereto, the Franchise Agreement shall

continue in full force and effect. In the event of a conflict between the terms of the Franchise Agreement and this Addendum, this Addendum shall control.

19. **Counterparts.** This Addendum may be executed in any number of counterparts, and may be executed and delivered via facsimile, email, or electronic process, confirmation, or transmission, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Franchisor and Franchisee execute this Addendum effective as of the date hereof.

FRANCHISOR:
NOWLOGY FRANCHISING, LLC

By: _____
Name: _____
Title: _____

IF CORPORATION, LLC, OR
PARTNERSHIP:
FRANCHISEE:

By: _____
Name: _____
Title: _____

IF INDIVIDUAL:
FRANCHISEE:

Name _____

PRACTICE ENTITY STATEMENT OF OWNERSHIP AND MANAGEMENT

Franchisee: _____

Form of Franchisee: (SELECT ONE)
 Corporation formed in the state of _____
 Limited liability company formed in the state of _____
 Partnership formed in the state of _____
 Individual residing in the state of _____

Practice Entity: _____

Form of Practice Entity: (SELECT ONE)
 Professional corporation formed in the state of _____
 Professional limited liability company formed in the state of _____
 Professional partnership formed in the state of _____
 Individual residing in the state of _____

Name of Clinic Director(s): _____

Practice Entity Ownership (EACH PRACTICE ENTITY OWNER MUST BE LICENSED UNLESS OTHERWISE PERMITTED UNDER STATE LAW)		
NAME OF PRACTICE ENTITY OWNER	NO. OF SHARES/UNITS OWNED	OWNERSHIP PERCENTAGE
		%
		%
		%
		%
		%

Franchisee acknowledges that this Practice Entity Statement of Ownership and Management applies to the Nowlogy Franchise Agreement. Franchisee shall immediately notify Franchisor upon any change in the information contained in this Practice Entity Statement of Ownership and Management, and upon request of Franchisor, complete an updated or new Practice Entity Statement of Ownership and Management.

FRANCHISEE:

Date: _____

By: _____
 Name: _____
 Title: _____

EXHIBIT L

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Minnesota	
South Dakota	
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 M
RECEIPT
(OUR COPY)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Nowlogy Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Nowlogy Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agency listed on Exhibit G.

The franchisor is Nowlogy Franchising, LLC, at 1303 South Frontage Road, Suite 150, Hastings, MN 55033 or (651) 505-3273. The franchise sellers are Amelia Paquin and Maria Almanzar.

Issuance Date: October 14, 2024. The Issuance Date is not the Effective Date. See Page 4 of this disclosure document to determine if your state's Effective Date varies from the Issuance Date.

Nowlogy Franchising, LLC authorizes the agents listed on Exhibit G to receive service of process in the respective states.

I received a disclosure document dated October 14, 2024, that included the following Exhibits:

Exhibit A: Financial Statements	Exhibit G: List of Agents for Service of Process
Exhibit B: Franchise Agreement	Exhibit H: Franchisee Disclosure Acknowledgment Statement
Exhibit C: List of Franchisees	Exhibit I: State Specific Addenda
Exhibit D: List of Former Franchisees	Exhibit J: Business Associate Agreement
Exhibit E: Operations Manual Table of Contents	Exhibit K: Managed Services Addendum
Exhibit F: List of State Administrators	Exhibit L: State Effective Dates
	Exhibit M: Receipts

Date Received _____

Prospective Franchisee Signature

Prospective Franchisee Printed Name

Mail signed and dated Receipt to Nowlogy Franchising, LLC at 1303 South Frontage Road, Suite 150, Hastings, MN 55033 or email to info@nowlogy.org.

RECEIPT
(YOUR COPY)

This disclosure document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Nowlogy Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

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Prospective Franchisee Signature

Prospective Franchisee Printed Name

Mail signed and dated Receipt to Nowlogy Franchising, LLC at 1303 South Frontage Road, Suite 150, Hastings, MN 55033 or email to info@nowlogy.org.