FRANCHISE DISCLOSURE DOCUMENT

Degree Wellness Franchise, LLC
a Delaware limited liability company
200 Riverside Ave.
Jacksonville, FL 32202
734-619-0919
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Degree Wellness studios are business-to-consumer franchises with an easy operating system that provides innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise. We offer individual Studio franchises for the right to develop and operate a single Studio offering all of our franchised services and products in a designated area.

The total investment necessary to begin operation of a single, new Studio franchise ranges from **$~~349,554~~342,400 to $~~687,816~~795,400**. This includes ~~the initial franchise fee of~~ **$57,500** that must be paid to us or our affiliates. The total investment necessary to begin operation of a multi-unit development agreement for two Studio franchises ranges from **$~~391,554~~384,400 to $~~729,816~~837,400**. This includes ~~the development fee of~~ **$99,500** ~~to~~ that must be paid to the franchisor. The total investment necessary to begin operation of a multi-unit development agreement for three Studio franchises ranges from **$~~429,554~~422,400 to ~~767,816~~$875,400**. This includes ~~the development fee of~~ **$137,500** that must be paid to the franchisor.

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 disclosure in different formats, contact Degree Wellness Franchise, LLC at 200 Riverside Ave., Jacksonville, FL 32202, 734-619-0919.

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.

Issuance Date: ~~May 24, 2024~~April 19, 2025~~, as amended January 10, 2025.~~

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G 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 Degree Wellness 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 Wellness franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Florida. 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 Florida than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.
5. **Advertising**. You must make minimum advertising, and other payments, regardless of your sales levels. Your inability to make the payments may result in the termination of your franchise and loss of your investments.

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

(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Should the prospective franchisee have any questions regarding the notice of this filing with the attorney general, such questions should be addressed to the Department of Attorney General, Consumer Protection Division, Antitrust and Franchise Section, P.O. Box 30213, Lansing, MI 48909. (517) 373-7117.

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

The franchisor is Degree Wellness Franchise, LLC. For ease of reference in this Disclosure Document, Degree Wellness Franchise, LLC will be referred to as "Degree Wellness," "we," or "us." "You" means the franchisee, person, or legal business entity (including a corporation, partnership, limited liability company, or other legal entity (collectively, "legal entity") and its owners, officers, and directors, that is buying the franchise.

We are a Delaware limited liability company organized on February 6, 2024. Our principal business address is 200 Riverside Ave., Jacksonville, FL 32202. We operate under our legal entity name, Degree Wellness Franchise, LLC, the name "Degree Wellness," and no other name. See Exhibit A for our agents for service of process.

We offer and sell the Degree Wellness franchises described in this Disclosure Document, and have not conducted any other types of business. Except through our affiliate, we have not operated, nor do we currently operate, any businesses like the franchises described in this Disclosure Document, or in any other line of business. We have not offered, nor do we currently offer, franchises in any other line of business.

Our Predecessors, Parents and Affiliates

We have no parent. We have several affiliates.

Our affiliate Degree Wellness IP, LLC is a Delaware limited liability company formed on February 6, 2024 ("Degree IP"). Degree IP has licensed us the right to use certain trademarks and intellectual property. Degree IP shares our principal business address and does not offer franchises in any line of business.

Our affiliate Degree Wellness, LLC is a Delaware limited liability company formed on April 24, 2020 ("Degree LLC"). Degree LLC currently operates four Studios in Jacksonville Florida. Degree LLC does not offer franchises in any line of business. Degree LLC assigned to Degree IP certain trademarks and intellectual property on April 24, 2024.

Our affiliate DW Financial Services, LLC is a Delaware limited liability company formed on May 9, 2024 ("Degree Financial"). Degree Financial provides limited financial services to support the System. Degree Financial does not offer franchises in any line of business.

Our predecessor Degree Wellness, Inc. is a Florida corporation formed on March 18, 2018 ("Degree Inc."). Degree LLC purchased substantially all of the assets of Degree Inc. on October 15, 2020. Degree Inc. does not offer franchises in any line of business.

The Business

Degree Wellness businesses (individually, a "Studio" or "Studio," and collectively, "Studios" or "Studios") provide innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise. As the premier wellness experience, our Studio's service set includes: cryotherapy,

cold plunge, infrared sauna, red light therapy, IVs and other injectables, oxygen therapy, compression massage, halotherapy, and more (collectively, the "Services").

The Franchises Offered

We currently offer two types of franchise offerings: Single unit Studio franchises and multi unit development agreements. We have offered these franchises since May 23, 2024.

Studio Franchises. We franchise the right to operate a single Studio that must be physically located in a designated geographic area (the "Protected Territory") under the "Degree Wellness" name and other authorized names and marks (the "Marks"), using a system of distinctive operating procedures, methods, and standards that we have developed (the "System"). Studio franchises will only be offered and sold to individuals licensed to practice or provide health care unless otherwise permitted by law, or unless you operate a Studio as a Studio Management Business (as defined below). You will sign our standard franchise agreement attached as Exhibit B (the "Franchise Agreement") when you purchase your Studio franchise.

Multi-Unit Offering. We may offer qualified individuals and entities the right to open and operate multiple Studios within a mutually-agreed upon geographical area (the "Site Selection Area") under our current form of area development agreement that is attached to this Disclosure Document as Exhibit C (the "Development Agreement"), which will also outline a schedule or defined period of time in which you must open and commence operating each Studio (a "Development Schedule"). You will sign a Franchise Agreement for the initial Studio you commit to develop within your Development Area at the same time you sign your Development Agreement, and you will eventually need to sign our then-current form of franchise agreement for each of the Studios you open under the Development Schedule that may contain materially different terms than your initial form of agreement. If we award you multi-unit development rights under a Development Agreement, your Site Selection Area, Development Schedule and Development Fee will vary based on the number of franchises you commit and are awarded the right to develop.

The Market and Competition

Your Studio will compete with other businesses in the health and wellness market. These competitors may include independent or franchised businesses offering some or all of the same services. The wellness sector is competitive in most markets. Despite this competition, we believe that Degree Wellness Studios will appeal to customers because of the brand, the unique combination of services offered, a reputation for authenticity and trustworthiness, the pricing model, and other distinctive characteristics. While you will provide your products and services to the general public, your target market will be female heads of household, who typically preside over both household budget and health and wellness decisions. We believe this is a large and important, yet underserved market. As a female-founded brand, Degree Wellness is uniquely positioned to serve this market.

Industry-Specific Laws and Regulations

Many states and local jurisdictions have enacted laws, rules, regulations and ordinances that may apply to the operation of your Degree Wellness franchise. For example, state licensing and certification requirements may apply to persons who perform services for you or at your Studio location, or to the legal structure of your business. These laws and regulations may also impose

restrictions on referrals for designated health services to entities with which you have financial relationships.

Certain states prohibit the corporate practice of medicine. This means that such states prohibit a lay-person from owner any facility that offers medical services. The only medical service we offer is IV hydration and IM injections, all other services are wellness oriented and do not constitute the practice of medicine. Such non-medical services include: cryotherapy, cold plunge, infrared sauna, red light therapy, oxygen therapy, compression massage, and halotherapy.

In certain cases, where permitted by law, we may offer franchises to persons or legal entities that meet our qualifications but are not licensed to practice or provide health care, and are willing to undertake the investment and effort to own and operate a business that will manage a Studio franchise under the System; we refer to these businesses as "Studio Management Businesses." For example, certain states do not permit non-licensed persons to own and/or operate health care practices, but some states do. In states that do not permit non-licensed persons to own or operate businesses providing health related services, a Studio Management Business may be offered. In states that do permit non-licensed persons to own and operate businesses offering health care services, a Studio Management Business Franchise is not necessary, but may be offered by us under certain circumstances.

To operate a Studio Management Business, you must enter into a Franchise Agreement with us and a Management Agreement with a "Licensed Provider" that will own and operate the Studio. A general form of a Management Agreement, to serve as a starting point for satisfying this requirement is attached as Exhibit F-1, but the actual Management Agreement to be used must be approved by us, in our discretion, and must satisfy all requirements and limitations of applicable laws, rules, and regulations of the state in which the Studio Management Business will be located. Attached as Exhibits F-2 and F-3, are forms of agreement required if you utilize our preferred licensed provider. A "Licensed Provider" will be one or more licensed individuals, or a professional corporation or similar entity, such as a professional limited liability company, that is duly authorized to provide health care services under local and state laws. Pursuant to the Management Agreement a Licensed Provider will provide a good faith exam. The initial good faith exam will establish the patient/physician relationship and create a plan of care as it relates to the IV therapy. Then the IV is administered by a registered nurse that is supervised by the physician. The individual franchisees will provide nursing staff to the professional corporation through a staffing agreement where the physician provides supervision to the nursing staff and the franchisee handles all payroll services for the nurse. Also, pursuant to the Management Agreement franchise will provide payroll services, accounting and tax filing services, and other administrative services as the professional corporation directs. The professional corporation will collect all funds for medical services.

Although a Studio is not a "covered entity" for purposes of HIPPA, you must comply with any and all federal, state and/or local privacy laws pertaining to your care recipients, including HIPAA and the HI-TECH Act and related laws, rules and regulations. We maintain HIPPA standards although we are not required to. In all cases, you must also comply with laws that apply generally to all businesses. You should investigate these laws and consult with a legal advisor about whether these and/or other requirements apply to your franchise. Violations of these laws and regulations may result in substantial civil or criminal penalties for individuals or entities.

The franchisees will not be required to enroll in state or federal reimbursement programs. The services offered through the franchise are not reimbursable by Medicare. Thus, while Medicare beneficiaries may be seen, the services they receive will not result in any federal reimbursement. The Federal Anti-Kickback Statute is not implicated in this model since there is no federal reimbursement involved in this franchise.

Item 2

BUSINESS EXPERIENCE

Amanda Watts: Board Member and President

Ms. Watts has served as a Board Member and President since our inception in February 2024 in Jacksonville, Florida. She has also served as President of our affiliate Degree LLC since August 2022. Prior to this she served as CEO of Rito, LLC from July 2020 to August 2022. Prior to this she served as CEO of Sheau, LLC from October 2018 to December 2020.

~~**John Rotche: Board Member**~~

~~Mr. Rotche has served as a member of our Board, since our inception (Ann Arbor, Michigan). He also serves as Chief Executive Officer of Franworth and has done so since January of 2015.~~

Jill Villejoin: Vice President of Marketing

Ms. Villejoin has served as Vice President of Marketing at Degree Wellness since April 2025. Prior to this, she served as Director of Marketing at SystemForward America from January 2017 to April 2025, where she led marketing strategy and execution for national franchise brands including Pop-A-Lock, TemperaturePro, and PlumbingPro.

The following individuals work with Franworth, a company that we have engaged to provide franchise development and franchisee administration and support services (and may have managerial responsibility with regards to certain aspects of our franchise system), and who is also an affiliate of one of our members:

Dave Keil: President

Mr. Keil has served as Franworth's President since July 2019. He serves in this capacity in Ann Arbor, Michigan.

Jennifer Fields: Chief Operations Officer

Mrs. Fields has served as Franworth's Chief Operating Officer since February 2024. She serves in this capacity in Ann Arbor, Michigan. Previously, from July 2016 through February 2024 and also in Ann Arbor, Michigan, Mrs. Fields served as Franworth's Vice President of Operations.

Item 3

LITIGATION

No information is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

You must pay to us a lump sum initial franchise fee upon signing your Franchise Agreement. The initial franchise fee for a Studio is $49,500 for the first franchise purchased. The Initial Franchise Fee is fully earned by us when paid, and is not refundable in whole or in part under any circumstances.

Development Fee

If we grant you the right to open multiple Studios under a Development Agreement, you must pay us a one-time Development Fee immediately upon execution of your Development Agreement. Your Development Fee will depend on the number of Studios we grant you the right to open within the Site Selection Area and is calculated as follows:

Number of Franchised Studios	Development Fee
2 Studios	$91,500
3 Studios	$129,500
4 Studios	$165,500
5 Studios	$199,500
6 through 10 Studios	$32,000 per unit

You will be required to enter into our then-current form of Franchise Agreement for each Studio you wish to open under your Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute each of these Franchise Agreements. You will execute our current form of Franchise Agreement for the first Studio we grant you the right to open within your Development Area concurrently with the Development Agreement (unless we agree otherwise in writing).

The Development Fee does not include the fee to purchase our optional programs with your franchise. The Development Fee is fully earned by us when paid and is not refundable in whole or in part under any circumstances.

Initial Training Fee

You will pay to us a $8,000 initial training fee for our two-stage initial training program. The initial training fee is due in a lump sum when you sign your Franchise Agreement

and is not refundable under any circumstances. The initial training fee is uniformly imposed and includes a 3-day Business Training currently hosted in ~~Ann Arbor~~Jacksonville and on-site Studio Training with a Corporate Studio Opener. On-site Studio training is typically 5 days with a corporate representative in person to assist you with the startup of your Degree Wellness Studio.

Initial Training Fee is due only in connection with the opening of your first Studio. Currently, Initial Training for subsequent studios, or in relationship to the transfer of an existing studio to new ownership, will be offered at the rates provided in Item 6 and typically includes the fees associated with the return of a Studio Opener if requested or required by the franchisor. We charge you $300 per day, per corporate employee, for any return on-site training exceeding the standard five days, plus travel, food, and accommodations and all other necessary expenses, subject to increase by us of up to $1,000 per day, per corporate employee.

VetFran Discount and Payment Arrangements

If you qualify for the VetFran program sponsored by the International Franchise Association, then the Development Fee or the Initial Franchise Fee for your first franchise will be reduced by $2,500.

Uniformity and Other Relevant Disclosures

All of the initial fees and expenditures described in this Item are: (i) uniformly calculated and imposed on our franchisees; and (ii) payable in lump sum. All of the fees are deemed fully earned upon receipt and non-refundable.

See Exhibit K for any state-specific disclosures about your initial franchise fee.

Item 6

OTHER FEES

Type of Fee (1)	Amount	Due Date	Remarks
Continuing Franchise Fee	7% of gross revenues (2)	Due on the day of each month we specify (3).	Based on gross revenues during the previous month (2). If you do not open for business within 12 months after execution of the Franchise Agreement, you will be assessed a $500.00 monthly fee until you open. If you do not open for business within 15 months after execution of the Franchise Agreement, you will be assessed a $1,000.00 monthly fee until you open. If you do not open for business within 18 months after execution of the Franchise Agreement, you will be assessed a $2,000.00 monthly fee until you open.
Brand Development Fund (the "Fund")	Currently 1% of gross revenues generated by your Franchised Business over the preceding reporting period (your "Fund Contribution")	Due each week on the day we specify (3).	We can increase or decrease the fee at any time. However, your contribution will not exceed 2% of your gross revenues. See Item 11 for additional information. Your Fund Contribution obligations will commence upon the opening of your Franchised Business.
Local Marketing Requirement	$2,500 per month	Monthly as incurred	Required on a per Studio basis.
Presale Marketing Plan	$12,000	As incurred leading up to your opening date	You must invest at least $12,000 presale marketing to promote your Studio prior to open. These expenses will begin 4 months prior to opening

Type of Fee (1)	Amount	Due Date	Remarks
Local and Regional Advertising Cooperatives	Currently, $0 per month, unless established.	As required by the cooperative.	There are currently no advertising cooperatives. This fee will never exceed $5,000 per month. Franchisor owned outlets will have the same voting power in any cooperative. (4)
Technology Fee	$275.00 per month	Due on the date of the month we specify	For certain technology-related administrative expenses.
Point of Sale (POS) and Text Messaging System	Then-current fee charged by our then-current Approved Supplier(s) for any third-party Required Software. Currently $~~608.20~~656.86 per month.	As Invoiced by Approved Supplier	These amounts are due in connection with the POS System and related software that you will use in connection with the operation of your franchised Studio Currently, these are payable directly to our Approved Suppliers; however, we may reserve the right (upon written notice) to collect these payments to us directly to remit on your behalf in our discretion.
Medical Director Fees	If required, equal to a $200 monthly fee plus a fixed usage as determined by our preferred provider.	Monthly as incurred	This fee is only required if you use our preferred provider for good faith examinations. If you are a licensed provider, or if you have contracted with a local licensed provider, this fee is optional.
Vendor Payments	Actual costs	As invoiced	We may negotiate master agreements with approved or mandated vendors which require that we pay the vendor directly on your behalf. If we do, you will pay us the amounts due to the vendor, and we will, in turn, pay the vendor on your behalf.

Type of Fee (1)	Amount	Due Date	Remarks
Additional Training	Our then current tuition. Currently $300 per person per day.	As incurred	This fee applies to all training onsite or offsite. The $300 per day, per attendee fee is payable to us before we provide the applicable training plus reimbursement of our travel, lodging and dining costs (if applicable).
Annual Conference Expenses	Amounts charged by third parties.	As incurred	For fees imposed by third parties for your attendance at the annual conference, such as food and beverage charges (see Item 11).
Interest	Lesser of 15% per annum, and the highest commercial contract interest rate permitted by law	From the date payments are due, and continues until outstanding balance and accrued interest are paid in full	Charged on any late payments of Continuing Franchise Fees, Fund Contributions, amounts due for product purchases, or any other amounts due us or our affiliates.
Audit Expenses	Cost of audit and inspection (currently $1,200), plus any reasonable accounting and legal expenses	On demand	Payable if Continuing Franchise Fee or Fund contribution is understated by 2% or more, or you fail to submit required reports or financial statements.
Late Reporting Fee	$100 per week	10th day of the month following any month for which any required report is not timely submitted.	Payable if any report or other information required to be submitted to us is received by us after the established deadline.
Returned Check Fee	$100	As incurred	Due each time a check you write to us is dishonored.

Type of Fee (1)	Amount	Due Date	Remarks
Supplier and Product Evaluation Fee	Cost of inspection and test of product sample (currently $500-$700)	On demand	Payable if we inspect or test product samples from any proposed supplier nominated by you (see Item 8).
Insurance Reimbursement	Amount of unpaid premiums and related costs	On demand	Payable if you fail to maintain required insurance coverage and we obtain coverage for you.
Replacement of Operations Manual	An amount set by us; currently $250	As incurred	Payable if your copy of the Operations Manual is lost, destroyed, or significantly damaged.
Renewal Fee	$10,000.00	Upon renewal	Payable upon signing the renewal Franchise Agreement.
Transfer Fee	$10,000.00	Before transfer completed	Applies to any transfer of the Franchise Agreement, the franchise, or a controlling interest in the franchise. You must pay this fee to us concurrently with the execution of a transfer agreement, including a general release in favor of us, our affiliates, and our and their officers, directors, employees and agents (see Exhibit I).
Legal Costs and Attorney's Fees	All legal costs and attorneys' fees incurred by us	As incurred	Payable if we must enforce the Franchise Agreement, or defend our actions related to, or against your breach of, the Franchise Agreement.

Type of Fee (1)	Amount	Due Date	Remarks
Injunction or Order of Specific Performance	All amounts incurred by us in obtaining an injunction or specific performance, including without limitation attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses and any damages we incur as a result of your breach.	As incurred	Payable if we obtain an injunction or order of specific performance against you to (1) enforce the provisions of the Franchise Agreement relating to your use of the Marks and non-disclosure, non-solicitation, non-disparagement, and non-competition obligations set forth in Section 9 of the Franchise Agreement; (2) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance, or regulation; constitutes a danger to the public; or may impair the goodwill associated with the Marks or Degree Wellness franchises; or (3) prevent any other irreparable harm to our interests.
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs, and expenses, whether asserted by third parties or us, related to your acts, omissions, ownership and operation of your franchise.
Alterations Fee	All amounts incurred by us	As incurred	Payable if we rectify any alterations improvements made to the Studio without our prior approval.

Type of Fee (1)	Amount	Due Date	Remarks
Computer Software/ Hardware Installation Fee	All amounts we incur (i) by installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you or (ii) by providing Computer System-related maintenance and support services that we or our affiliates provide to you	As incurred	Payable if we (i) install, provide, support, modify or enhance software or hardware we developer and license to you or (ii) provide computer system maintenance and support services that we or our affiliates provide to you.
Electronic or Hard Copies of Marketing Materials	Our cost	As incurred	There may be a charge for electronic or hard copies of marketing materials in order to reimburse us for creative costs and expenses.
Franchise Maintenance and Refurbishing	All amounts incurred by us	As incurred	Payable if we repair, maintain, or refurbish the franchise after you fail to correct deficiencies of which we give notice to you.
De-Identification	All amounts incurred by us	As incurred	Payable if we de-identify the franchise upon its termination or expiration.

Type of Fee (1)	Amount	Due Date	Remarks
Termination Fee	One-half of then-current initial franchise fee for a new Studios plus an amount equal to your average monthly Continuing Franchise Fee, Fund contribution, and Technology Fee, multiplied by the number of months remaining in your franchise term, discounted by a present value discount factor of five percent (5%)	On demand	If you or we terminate your franchise before your franchise term expires. (5)
Liquidated Damages Resulting from Violation of Restrictive Covenants	$50,000, plus any actual damages incurred by us exceeding that amount, and all attorneys' fees and costs incurred by us, to enforce the restrictive covenants in Section 9 of the Franchise Agreement	On demand	Payable if a Principal Owner violates the terms of the restrictive covenants in Section 9 of the Franchise Agreement, including but not limited to non-compete, non-solicitation, non-disclosure and non-disparagement covenants, both during the term of the Franchise Agreement and post-termination

Explanatory Notes:

(1) This table and the accompanying notes describe the nature and amount of all other payments that you must pay to us or our affiliates or that we or our affiliates collect on behalf of third parties, on a recurring basis, whether on a regular periodic basis or as infrequent anticipated expenses, in carrying on your Degree Wellness Studio. Except for some product and service purchases (see Item 8) and advertising cooperative payments (see Item 11) or as otherwise noted in this FDD, all fees are uniform (except in states which may prohibit us from charging fees, such as the Continuing Franchise Fee or Fund contribution, based on a percentage of your gross revenue or as otherwise provided by law), and are imposed by, collected by, and payable to us. All fees are non-refundable unless otherwise expressly noted. These fees are not based on referrals of patients, the number of patients treated, or the amount of products purchased.

(2) "Gross revenues", means the total of all revenue and receipts derived from the operation of the Franchise, including all amounts received at or away from the site of the Franchise, or through the business the Franchise conducts (such as fees for the sale of any service or product, gift certificate sales, and revenue derived from products sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions, without reserve or deduction for inability or failure to collect); and excludes only sales taxes collected from customers and paid to the appropriate taxing authority, and any customer refunds and credits the Franchise actually makes

(3) You must pay all amounts due by automatic debit, but we have the right to require you to pay all amounts due us or our affiliates by certified or cashier's check or wire transfer. After you sign the documents we require to debit your business checking account automatically for the amounts due (see Exhibit 5 to Franchise Agreement), we will debit your bank account for the Continuing Franchise Fees, Fund contributions, and other amounts you owe us. You must make funds available for withdrawal from your account before each due date.

If you do not report your Studio's gross revenues for any month, then we may debit your account for 120% of the Continuing Franchise Fee and Fund contribution amounts that we debited during the previous month. If the Continuing Franchise Fee and Fund contribution amounts we debit are less than the Continuing Franchise Fee and Fund contribution amounts you actually owe us (once we determine the franchise's actual gross revenues for the month), then we will debit your account for the balance on the day we specify. If the Continuing Franchise Fee and Fund contribution amounts we debit is greater than the Continuing Franchise Fee and Fund contribution amount you actually owe us, then we will credit the excess amount, without interest, against the amount we otherwise would debit from your account during the following month.

(4) If we create an advertising cooperative that includes your franchise, the voting power of any Studios owned by us or our affiliates that belong to the cooperative will be the same as yours. See Item 11 for information about advertising cooperatives.

(5) You must pay the termination fee, plus any costs and attorneys' fees incurred by us, if you improperly attempt to terminate or close your Studio or franchise before your term expires, or we terminate your Franchise Agreement for any reason set forth in the Franchise Agreement. We may also recover from you any damages suffered by us (e.g., any actual, economic, consequential, and indirect damages incurred by us including, without limitation, the loss of future revenues) resulting from your improper or wrongful termination of the franchise. Termination fees may be unenforceable in certain states. See Item 17 for additional information.

Item 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Single Studio

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Franchise License Fee (1)	$49,500 to $49,500	Lump Sum	At signing of Franchise Agreement	Us
Initial Training Fee	$8,000 to $8,000	Lump Sum	At signing of Franchise Agreement	Us
Training Program Expenses (2)	$1,000 to $2,500	As agreed	As incurred	Third-party providers, including airline, lodging and meals.
Studio Layout, Architect, Engineer, Drawings, and Permits (3)	$16,750 to $19,700	As agreed	As incurred	Approved Supplier and Third Party Providers
R/E & Construction Mgt Fee (4)	$16,500 to $16,500	Lump Sum	As incurred	Approved Supplier
Lease - Security Deposit (3 months) (5)	$11,300 to $34,700	As agreed	When securing the premises	Third Party Provider
Initial Equipment Package (6)	$13,~~512~~ 700 to $150,800	As agreed, invoiced or arranged	As incurred	Approved Supplier
Leasehold Improvements (7)	~~to~~$139,000 to $383,000	As arranged	As invoiced	Third Party Provider
Furniture, Fixtures, and Equipment (FFE) (8)	$30,600 to $37,100	As agreed	As invoiced	Us and Approved Supplier
Point of Sale System, Hardware, Software and Installation (9)	$5,600 to $7,000	As agreed	As incurred	Approved Supplier
Initial Inventory & Supplies (10)	$11,500 to $13,500	As agreed, invoiced or arranged	As incurred	Approved Supplier
Professional Fees & Licenses (11)	$2,650 to $6,000	As agreed	As incurred	Approved Supplier
Presale Marketing (12)	$12,000 to $15,000	As agreed	Before opening	Third Party Provider
Insurance (13)	$1,~~146~~ 000 to $2,400	As agreed	As invoiced	Third Party Provider
Exterior Signage (14)	$3,300 to $9,700	As agreed	As incurred	Approved Supplier

Additional Funds (3 Months)(15)	$20,000 to $40,000	As agreed, invoiced or arranged	Varies, but expected within first 3 months of operations	Business personnel; Landlord; Approved Suppliers; Third-Party Provider(s) and/or Providers; Utility Providers; Us; Etc.
Total Estimated Initial Investment	~~to~~**$342,400 to $795,400**	~~$687,816~~		

Multi-Unit Development

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee	$91,500 (2 Studios) $129,500 (3Studios)	Lump sum	Upon execution of Development Agreement	Us
Initial Investment to Open Initial/Single Studio	~~$300,054~~ $292,900 to $745,900 ~~$638,316~~	Totals from Single Unit Chart of this Item 7 less the Initial Franchise Fee.		
Grand Total	~~$391,554 $729,816~~ $384,400 to $837,400 (2 Studios) ~~$429,554 $767,816~~ $422,400 to $875,400 (3 Studios)	This is the total estimated initial investment to enter into a Development Agreement for the right to own a total of two to three, as well as the estimated initial costs to open and begin operating your initial Studio for the first three months (as described more fully in the "Single Unit Franchise" chart above).		

Explanatory Notes:

General. The preceding chart and accompanying notes describe the estimated total initial investment expenses to obtain and commence business for a single Degree Wellness Studio franchise. These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating a single Degree Wellness Studio. Unless negotiated with a third-party, non-affiliated vendor, all payments disclosed in this Item are non-refundable.

Our estimates are based on our experience with our Studio franchises and our current requirements for Studios. The factors underlying our estimates may vary depending on a number of variables, and the actual investment you make in developing and opening your Degree Wellness Studio franchise may be greater or less than the estimates given depending upon the location of your franchise, and current relevant market conditions. ~~(3 Months)~~

Your estimated initial investment for each additional Studio you purchase may be lower if we charge a reduced Initial Franchise Fee. See Item 5 for additional information. See Item 10 for

additional information regarding any financing options. All expenses payable to us and third parties are non-refundable, except as you may arrange for utility deposits and other payments.

1. *Initial Franchise Fee; Initial Training Fee.* The Initial Franchise Fee and Initial Training Fee that are payable in a lump sum upon execution of your Franchise Agreement is disclosed more fully in Item 5, and is deemed fully earned and non-refundable upon payment.

2. *Training Program Expenses.* These are the costs that we estimate for you and up to one (1) additional person to attend the portion of our Initial Training Program that takes place at a corporate training location (currently Michigan). In addition to the Initial Training Fee, you are responsible for the costs associated with attending training. These costs include transportation, meals, and lodging. Your total cost will vary based on who you choose to attend, how far they have to travel, and the type of accommodations you choose. These costs are typically non-refundable, but you should ask about refund policies before you patronize any vendor.

3. *Studio Layout, Architect, Engineer, Drawings, and Permits*. This range includes our required Architect's fee for your Studio's complete construction drawings as well as any construction permits. Such permits can vary widely in cost depending on your location.

4. *Real Estate and Construction Management Services*. Our standard franchise offering expects and assumes that you will use our third-party Approved Supplier, for real estate and construction project management services for the construction and buildout of your Franchised Business.

5. *Lease - Security Deposit*. This range is designed to cover the potential amounts that will be incurred in connection with leasing your approved Premises, with our standard franchise offering expecting that your Premises will: (i) be between 1,~~700~~800 and 2,~~500~~400 square feet in size; and (ii) involve a security deposit amounting to one (1) month of rent (based on our affiliates' recent experience opening of an affiliate-owned Studio as of the Issue Date). Your cost to lease is difficult to quantify because there are factors that will impact what you pay. These factors include the facility's location, its square footage, cost-per-square foot, renovation costs and any required maintenance fees. Your landlord may refund your security deposit, but most will not refund rental payments. You should ask your leasing agent or landlord about their refund policy before you sign a lease agreement.

6. *Initial Equipment Package.* These estimates are for new equipment, and assume you finance it over a five year period. The low presumes no money down financing all equipment. The high presumes no money down, only financing the cryo machine. Your financing terms will vary depending on your credit history and score. Our affiliate will finance up to $151,000 with no money down, ate a rate of prime plus 7%, for a five year period. See Item 8 and Item 10 for additional information. These figures do not include any proposed tariffs that could significantly impact the price of imported goods.

7. *Leasehold Improvements.* These are expenses to improve the Premises of your Studio in accordance with brand-specific standards. In our recent experience with affiliate locations, our low costs have been $143,332 and our high costs have been $252,603. The disclosed increased high cost is intended to compensate for increases in inflation and market variation. Your individual markets may vary. These projections assume the space is being

leased. If you elect to own your own location, additional costs will be incurred. Impact fees vary in each jurisdiction (if and as applicable), which will vary state-by-state. We encourage you to research the fee structure in your jurisdiction. This range is based on our standard franchise offering's expectation that your Premises will be between 1,~~700~~800 and 2,~~500~~400 square feet and will otherwise meet our System standards and specifications. The actual costs you incur will depend on various factors, including prevailing labor rate and other demographics of the area surrounding your Premises, along with the actual Premises itself. You may get certain tenant improvement allowances or credits from your landlord that will be used towards your buildout of the Franchised Business and/or other leasehold improvements. The high end of our estimated range above accounts for certain tenant improvement allowances in the estimate based on the experience of our affiliates in opening their respective System Studio(s). The high end was based on a premises that was a "Dark Shell" as compared to the low end which was considered a "White Box". Although the both the high and the low end received tenant improvement allowances, the low end does not reflect a reduction due to the allowances received.

8. *FFE*. This estimated range is designed to cover the furniture, certain fixtures and operational equipment you will be required to purchase before (a) we provide any on-site training in connection with your franchise, and/or (b) you can otherwise open and operate the Studio.

9. *Point of Sale System, Hardware, Software and Installation.* You are required to use point of sale hardware and accounting software approved by us, including, without limitation, iPads. Monitors, touchscreens, multi-function printer, cash drawers, screens, credit card swiper, tv's, headphones, isp finder service, and assorted cables and mounting hardware. As of the Issue Date, we require that you purchase and/or lease all Computer System hardware and software from one (1) or more of our third-party Approved Suppliers, including those that provide gift card, customer loyalty program and/or online ordering services (as we specifically permit or designate in writing) in connection with your customer base and/or Approved Products.

10. *Initial Inventory & Supplies*. The inventory estimate is for an initial supply of consumables which are required to offer the Services. As inventory is used, more inventory will need to be acquired. This estimate includes and accounts for a reasonable amount of inventory that will be utilized in connection with the on-site training we provide to you and your initial Studio personnel prior to the opening of the Franchised Business.

11. *Professional Fees and Licenses*. This estimated range is designed to cover the fees you will pay to an attorney and/or accountant in connection with (a) the formation of any Franchisee (or Developer) entity, and (b) otherwise in connection with pre-opening activities and obligations of the Franchisee under the Franchise Agreement.

12. *Presale Marketing Spend*. You are required to spend a minimum amount between $12,000 and $15,000 on presale marketing efforts to obtain members for your Studio, as detailed more fully in Item 11 of this Disclosure Document.

13. *Insurance*. You must obtain and maintain, at your own expense, the insurance coverage that we periodically require (including but not limited to comprehensive commercial general liability and motor vehicle insurance, worker's compensation and employer's liability insurance, professional liability (malpractice) insurance and any other insurance

required by applicable law, rule, regulation, ordinance or licensing requirement), and satisfy other insurance-related obligations. See Item 8 for additional information about our insurance requirements.

14. *Exterior Signage*. This includes one exterior storefront sign. The specific location where your Franchised Business will be located may have different requirements and regulations dictating the size, layout and illumination of the exterior signage. You will be required to abide by these regulations and, as a result, may experience higher or lower costs for your exterior signage.
15. *Additional Funds*. These amounts are the additional funds to cover operating expenses including your employees' salaries and local marketing for three months. These estimates also do not take into account finance payments, charges, interest, and related costs you may incur if any portion of the initial investment is financed by a third party. These amounts are the minimum recommended levels to cover operating expenses, including your employees' salaries for three months. The amounts listed for this category are based on historical data from our affiliate locations.
16. *Total Estimated Initial Investment*. The estimate of costs assumes you will lease the location for your Studio. The cost for purchasing the real estate is not included in these cost estimates. This range and Chart above does not include any estimates for (a) any owner or officer compensation, or (b) debt service. Variances may result from local economic conditions, availability of materials and labor, and other conditions beyond our control. You must also pay the royalty and other related fees described in this Disclosure Document. You should base your estimated start-up expenses on the anticipated costs in your market and consider whether you will need additional cash reserves. You should review these figures carefully with your business advisor.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Lease and Purchase Specifications and Requirements

You must lease or purchase your Studio location, leasehold improvements, computer and office equipment (including cash registers and computer hardware and software), equipment, fixtures, furnishings and decor, signage, insurance, inventory , clothing, branding, advertising and marketing materials and services, grand opening kit, training, supplies, programs and other items and services under our specifications as set forth in our Operations Manual for Studios – see Items 7 and 11. These specifications include standards for appearance, delivery, performance, quality control, and/or design.

You must lease or purchase your leasehold improvements, equipment, computer and billing system, equipment, inventory, marketing materials, supplies, services, products, and other items only from suppliers or designees approved by us. Our Operations Manual lists our approved suppliers. There may be items for which we or our affiliates are approved suppliers (see below).

You must obtain and maintain, at your own expense, the insurance coverage that we periodically require and satisfy other insurance-related obligations. You must purchase (1) comprehensive commercial general liability and motor vehicle liability insurance containing minimum liability coverage of not less than $1,000,000 per occurrence and $3,000,000 in the

aggregate, (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by law, (3) professional liability (malpractice) insurance, for each doctor practicing in your Franchise business, having limits of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate and (4) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. Deductibles must be in reasonable amounts and are subject to review and written approval by us. Your commercial general liability insurance policy must be an "occurrence" policy. If any policy is written on a "Claims Made" basis, you must purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of the Franchise Agreement and/or such policy. All commercial general liability insurance and professional liability (malpractice) insurance policies you purchase must name us (and, if we so request, our members, directors, employees, agents, and affiliates) as additional insureds. If you fail to obtain or maintain the insurance we specify, we may (but need not) obtain the insurance for you and the Studio on your behalf (see Item 6). You should consult with your own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection you may need or desire, in addition to the coverages and minimum limits specified by us. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories.

We also require you to maintain a dedicated high speed internet services or connection or other communication means for remote access and information retrieval by us, as we may specify from time to time in the Operations Manual or otherwise in writing. We do not specify a specific internet supplier.

We have contracted with third parties to provide web site design, maintenance, hosting, and search engine optimization for our franchises, and certain technology-related administrative expenses. You will be required to use all such services. You will pay us a fee for such services, and we will pay the third-party providers directly. The amount you pay us may be less or more than the amount we pay to the third-party providers and may be used to offset internal costs related to the stated purposes of this fee.

If we grant you the right to open and operate multiple Studios under a Development Agreement, you may not enter into your Franchise Agreement for each subsequent Studio opened under your Development Schedule until contacted us and requested our approval in accordance in our Operations Manuals.

We estimate that your total expenditures in leasing or purchasing real estate, equipment, fixtures, products, marketing materials, services, and computer hardware and software from our approved suppliers will represent approximately 50% of your total purchases and expenses in connection with establishing and operating your Degree Wellness franchise. Virtually all of the goods and services that you must lease or purchase in establishing and operating your franchise must comply with our standards and specifications.

Issuance and Modification of our Specifications

Our Operations Manual sets forth our specifications, standards, and guidelines for all real estate, goods, and services that you are required to obtain in establishing and operating your franchise, and additional guidelines and requirements for operating your franchise (including the optional programs). We will make available new or modified specifications, standards, and guidelines to you through periodic amendments or supplements to the Operations Manual or other written materials. See Item 11 for additional information about our Operations Manual.

We will make available written copies of our standards and specifications to you and approved and proposed suppliers, unless these standards and specifications contain our confidential information (see Item 14).

Approved Products, Distributors and Suppliers

We have developed standards and specifications for the leasehold improvements of your Studio, the equipment and materials used to perform services at your Studio, and products authorized for sale at your Studio. We have approved, and will continue to periodically approve, specifications and/or suppliers and distributors of the above items, services and products, which may include us or our affiliates, that meet our standards and requirements. These specifications include standards and requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations and customer relations. You must (1) purchase products for sale by your Studio in the quantities we designate; (2) use those formats, formulae, and containers for products that we prescribe; and (3) purchase all products, services and other materials only from distributors and other suppliers we have approved.

We may approve a single distributor or other supplier (collectively, "supplier") for any product or service, and may approve a supplier only as to certain products or services. We may concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support or services for any group of Studios franchised or operated by us. Our approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), and other similar criteria, and may be temporary, pending our continued evaluation of the supplier.

You are required to use our designated supplier for site selection assistance and construction project management. You must acquire a site for your Studio that meets our site selection criteria and that we approve. If you occupy the Studio according to a commercial lease, the lease must contain terms that we specify.

If you would like to purchase or lease any items from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier or the proposed supplier may submit its own request. We may inspect the proposed supplier's facilities, and require that product samples from the proposed supplier be delivered for testing either directly to us or any independent certified laboratory that we designate. We also may require you (or the proposed supplier requesting the evaluation) to pay us an evaluation fee (not to exceed the actual cost of the inspection and the actual cost of the test (see Item 6) to make the evaluation. We will approve or disapprove your proposed supplier within 60 days of receiving all of the information that we require for the evaluation. We reserve the right to periodically re-inspect the facilities and products or services of any approved supplier, and revoke our approval if the supplier does not continue to meet any of our criteria. Our criteria for approving suppliers are not currently available to franchisees for review.

Degree Wellness and Our Affiliates as Approved Suppliers

If you, or one of your owners, cannot legally provide services to your Franchised Business then you must contract with our designated supplier to provide medical director services.

We are currently not an approved supplier for any other product, service, or equipment. We reserve the right to designate us and/or our affiliates as approved suppliers, or the exclusive

supplier(s), from whom you may purchase or lease certain other categories of products, services, and equipment.

Except for DW Financial Services, LLC, no franchisor officer owns any interest in any supplier.

Our Involvement with Suppliers

We and our affiliates and designees reserve the right to receive revenue or other material consideration from suppliers in consideration for other goods or services that we require or advise you to obtain from approved suppliers.

We negotiate price terms and other purchase arrangements with suppliers for you for some items that we require or suggest you to lease or purchase in developing and operating your Degree Wellness franchise, including clothing, marketing materials, services, and equipment. There currently are no purchasing and distribution cooperatives.

Medical Purchases

The corporate practice of medicine doctrine restricts layperson-franchisees from determining the medical equipment and supplies to be used in the operation of the medical services provided in the Studio.

Effects of Compliance and Noncompliance

We do not provide any other benefits to you because of your use of designated or approved services and products, or suppliers.

Revenue We Derive From Franchisee Purchases

We do not currently derive revenue from Franchisee purchases but we reserve the right to in the future. As such for the year ending December 31, ~~2024~~2025, we received $0 from Franchisee purchases, which is 0% of our total revenue of $0. For the year ending December 31, ~~2024~~2025, our affiliate DW Financial received $0 from Franchisee purchases, which is 0% of its total revenue of $0.

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 Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1 of FA; Attachment A of the Development Agreement	Items 7, 8, and 11
b. Pre-opening purchases/leases	Sections 3.1, 3.2, 3.3, 3.4, 3.5 and 3.6 of FA	Items 7, 8, and 11

Obligation	Section in Agreement	Disclosure Document Item
c. Site development and other pre-opening requirements	Sections 3.2, 3.3, 3.4 and 3.6 of FA; Section 1 and Attachment A of the Development Agreement	Items 7, 8, and 11
d. Initial and ongoing training	Sections 3.6, 4, 5.1 and 10.7 of FA	Items 5, 6, 7, 11 and 14
e. Opening	Sections 3.3 and 3.6 of FA, Exhibit 1 of FA; Attachment A of the Development Agreement	Items 7 and 11
f. Fees	Sections 2.4, 3.4, 4.2, 5.1, 5.2, 6, 10.1, 10.3, 10.8, 11.1, 11.2, 12, 13.2, 14.5, and 15 of FA, Exhibits 4 of FA; Section 2 of the Development Agreement	Items 5, 6, 7, 8, 11, 13 and 14
g. Compliance with standards and policies/Operating Manual	Sections 2.4, 3.2, 3.3, 3.4, 3.5, 3.6, 5.2, 5.3, 6.4, 7.1, 10, 11.4, 13.1 and 19 of FA	Items 8, 11, and 12
h. Trademarks and proprietary information	Sections 7, 9 and 16.2 of FA	Items 13 and 14
i. Restrictions on products/services offered	Section 10.2 of FA	Item 8 and 16
j. Warranty and customer service requirements	Section 10.7 of FA	Not Applicable
k. Territorial development and sales quotas	Section 2.3 and 3.1 of FA; Attachment A of the Development Agreement	Item 12
l. On-going product/service purchases	Sections 3.4, 5.1, 6.4, 6.5, 10.2, 10.3, 10.8, 10.9, 11.2, and 11.4 of FA	Items 8 and 11
m. Maintenance, appearance, and remodeling requirements	Sections 10.1 and 10.5 of FA	Items 8, and 11
n. Insurance	Section 10.8 of FA	Items 6, 7, and 8
o. Advertising	Sections 6.3 and 11 of FA	Items 6, 7, and 11
p. Indemnification	Section 8.3 of FA	Items 6 and 13
q. Owner's participation/ management/staffing	Sections 4.1 and 10.7 of FA, Exhibit 3 of FA	Items 11 and 16
r. Records and reports	Section 12 and 13 of FA	Item 6 and 11

Obligation	Section in Agreement	Disclosure Document Item
s. Inspections and audits	Section 13 of FA	Item 6
t. Transfer	Section 14 of FA; Section 8 of the Development Agreement	Items 6 and 17
u. Renewal	Section 2.4 of FA	Item 6 and 17
v. Post-termination obligations	Sections 9.2, 9.3, 16, 17.8 of FA	Item 17
w. Non-competition covenants	Sections 9.3, 16.5, and 17.8 of FA	Item 17
x. Dispute resolution	Sections 17.8, 17.9, 17.10 and 17.11 of FA; Sections 12, 13, 14, and 15	Item 17
y. Non-solicitation/non-disparagement/non-disclosure covenants	Sections 9.2, 9.3, 16, 17.8 of FA	Item 17

Item 10

FINANCING

The financing described in this Item 10 is only provided by DW Financial. We do not offer any other direct or indirect financing.

General Equipment Financing

Degree Financial has no obligation to provide you any financing, but it may agree to finance a portion of the required equipment for qualified prospective franchisees under specified terms and conditions. Its decision to finance any equipment will be based, in part, on your credit-worthiness, the collateralization of the equipment and other collateral you have available to secure the financing and our then-current financing policies.

Degree Financial limits the amount that it will finance. Its standard financing is up to $151,000 if you meet certain requirements. We may elect not to approve a transfer, including a transfer to a corporation or other entity wholly owned by you, if you do not pay any loans payable to us and or Degree Financial in full.

You must qualify to purchase a franchise, meet our credit standards and be otherwise eligible for financing to qualify. Degree Financial currently charges a variable interest rate of Prime + 7%. If it agree to finance a portion of the required equipment, you must sign a promissory note when you sign your franchise agreement and pay the balance in monthly installments. Degree Financial does not require any money down.

You must make note payments by automatic bank draft. Some banks and other financial institutions may charge a fee for electronic transfers. Monthly payments will begin approximately 1 month after you complete Training. The length of the repayment term may be negotiable up to a maximum of 5 years.

Degree Financial requires a security interest in the Studio franchise. You must sign a security agreement granting it a security interest in all your assets, including after acquired property and it will file a UCC financing statement with the appropriate governmental authority. It has the right to require additional forms of security.

You may prepay the note at any time without penalty. If you default, Degree Financial may declare the entire remaining amount due. If you do not pay our them the entire balance, and any accrued, unpaid interest, you may be responsible for the court costs and attorneys' fees Degree Financial incurs in collecting the debt from you. We may terminate your franchise agreement if you do not pay Degree Financial.

You must waive your rights to certain notices of a collection action in our promissory note, security agreement and guaranty but there are no waivers of defense in the promissory note, security agreement or guaranty. If you are a legal entity, your shareholders, members, partners and/or owners must personally guarantee the debt and agree to pay the entire debt and all collection costs. Degree Financial has the right to require a spouse's personal guaranty.

Our Degree Financial may sell, assign or discount any promissory note or other obligation arising out of the franchise agreement to a third party. If it sells or assigns your promissory note, it will not affect our obligation to provide the services to you that are described in the franchise agreement but the third party may be immune under the law to any defenses to payment you may have against our affiliate.

We may periodically agree with third-party lenders to make financing available to our qualified franchisees and we may, in our sole discretion, refer you to a third-party lender for financing. We have no control over whether financing will be offered to you by any third-party lender. The lender is not obligated to provide financing to you or to any other franchisee that the lender finds does not meet its credit requirements and loan criteria. If we refer you to a third-party lender for financing, we may agree to take a short-term promissory note (in a form we provide to you) until your financing is arranged. You must use the proceeds from the lender to pay any promissory note to us.

We do not currently derive income from referrals or placement of financing with any third-party lender. However, we may require payment from you or other persons for the placement of financing in the future. If we charge for placing financing in the future, we expect to use the payments to offset our expenses in doing so.

We do not guarantee your obligations to third parties.

Item 11

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

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

Pre-Opening Obligations:

Before you open your Degree Wellness Studio for business, we or our designee will:

1. Designate your Protected Territory (Franchise Agreement – Section 2.3). See Item 12 for additional information about your Protected Territory. You may only operate a Studio physically located in your Protected Territory.

2. Review and approve or disapprove your proposed Studio site (Franchise Agreement – Section 3.1). You must seek and select a mutually agreeable site within your Site Selection Area within 120 days after signing the Franchise Agreement. We will inform you of our approval or disapproval of your proposed site within 15 days of your proposal of the Studio site. The site must meet our criteria for demographics; traffic patterns; parking; ingress and egress; character of neighborhood; competition from, proximity to, and nature of other businesses; size; appearance; and other physical and commercial characteristics. We require your Studio to be a minimum of 1,~~700~~800 square feet in size. Studios are typically located in high-traffic strip malls. For each proposed site, you must submit to us, in the form we specify, a description of the site and any other information or materials that we may require. We will not unreasonably withhold approval of a site that meets our standards for general location and neighborhood, traffic patterns, parking size, layout, lease terms, and other physical characteristics for Degree Wellness Studios. If you fail to identify a mutually agreeable site by the established deadline, then we may terminate your Franchise Agreement and the initial Franchise Fee may be forfeited.

3. If we require, approve the terms of the lease for the premises of your Studio (Franchise Agreement – Section 3.1). You must lease the premises for the Studio within 180 days after signing the Franchise Agreement. We may terminate your Franchise Agreement if you do not sign your lease by this deadline. Generally, we do not own premises that are leased to Studios. Your lease must include the provisions required by the Franchise Agreement, or you must obtain our express written approval as to any variations or exclusions of such provisions in your lease.

4. Furnish you with one set of plans, specifications, and other materials reflecting our suggestions and requirements for layout, equipment, fixtures, decorations and signs for a Degree Wellness Studio (Franchise Agreement – Section 3.2). Using an architect designated or approved by us, you must modify the plans and specifications to comply with all local ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the premises. You must submit final construction plans and specifications to us for our approval before you begin construction at the premises and you must construct the Studio in accordance with those approved plans and specifications.

You must open your Studio 12 months of signing your Franchise Agreement. (Franchise Agreement – Section 3.3). If you purchase multiple Studio franchises, we currently require that you open the second Studio and each additional Studio pursuant to your Development Schedule. We estimate that Studios will typically open for business approximately 8 to 12 months after signing the Franchise Agreement. Factors affecting this length of time include locating a site and signing a lease, construction or remodeling of the site, completion of required training, financing arrangements, local ordinance and building code compliance, weather conditions, delivery and installation of equipment, fixtures, and signs, and hiring and training of your staff.

5. Approve the final construction plans and specifications for your Studio (Franchise Agreement – Section 3.2). You must construct your Studio in accordance with the final construction plans and specifications approved for your Studio. See paragraph 4 above.

6. Identify the products, equipment, materials, inventory, supplies, and services you must use to develop and operate the Studio (including, if applicable, our optional programs), the minimum standards and specifications that you must satisfy in developing and operating the Studio, and the designated and approved suppliers from whom you must or may buy or lease these items (which might be limited to or include us and/or our affiliates) (Franchise Agreement –

Section 5.1). We will not deliver or install these items for you. We are not obligated to assist the franchisee in establishing prices. We may provide suggestions; however, you will have the final determination on the pricing for goods and services.

7. Lend to you one copy of our Operations Manual, which contains our mandatory and suggested specifications, standards, and procedures for operating your Studio (Franchise Agreement – Section 5.1-5.2). As part of the growth and expansion of Degree Wellness, and due to the nature of the business conducted by Degree Wellness Studio franchisees, the Operations Manual has evolved into a series of written materials and guides and video and audio presentations, including online trainings and franchise system support, which are frequently updated and supplemented. The Operations Manual may be composed of or include writings, drawings, photos, video and audio recordings, and/or other written or intangible materials. We may make all or part of the Operations Manual available to you through various means, including the Internet, websites, emails, or other remote means. The Operations Manual contains our System Standards and information about your other obligations under the Franchise Agreement. We may modify all or any portion of the Operations Manual periodically to reflect changes in System Standards. You must keep your copy of the Operations Manual current, and in a secure location at your Studio. You agree that you will monitor and access the Website, intranet, or extranet for any updates to the Operations Manual. If you and we have a dispute over the contents of the Operations Manual, then our master copy of the Operations Manual will control. The Operations Manual, as well as any password or other digital identification necessary to access the Operations Manual on a Website, intranet, or extranet, is confidential, and you may not copy, duplicate, record or otherwise reproduce any part of it. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, then you must obtain a replacement copy at our then applicable charge (see Item 6). You may view our Operations Manual at our corporate headquarters before purchasing your Studio, but must first sign a nondisclosure agreement promising not to reveal any of the information contained in the Manual without our permission. See Item 14 for additional information about our Operations Manual.

8. Provide you with specifications for the computer and billing system for your Studio (Franchise Agreement – Section 3.4). See below for additional information about these specifications.

9. Provide you with our initial training program and online learning credentials for Studio franchises at the costs disclosed in Item 5. See below for additional information concerning our initial training program for Studio franchises. (Franchise Agreement – Section 4.2).

10. Review and approve or disapprove any advertising that you propose to use for your Studio (Franchise Agreement – Section 11.2).

11. We will establish, maintain, and administer the Fund. As available, we will provide you with digital copies of our marketing materials via our intranet. (Franchise Agreement – Section 11.1).

12. Review and approve your management agreement with a licensed physician or PC if you are a Studio Management Business, but you are responsible for determining whether such agreement is in compliance with all applicable laws, rules and regulations of the State in which the Studio is located. (Franchise Agreement – Section 1.2).

Post-Opening Obligations:

After your Studio opens for business, and so long as you are not in default under the Franchise Agreement, we or our designee will:

1. Provide you with guidance and assistance in the following areas: (a) the services & products authorized for sale by the Studio, and specifications, standards, and operating and management procedures used by your Studio; (b) purchasing approved equipment, furniture, furnishings, signs, products, operating materials, services, marketing materials, and supplies; (c) development and implementation of local advertising and promotional programs; (d) establishing and using administrative, bookkeeping, accounting, inventory control and general operating and management procedures; (e) establishing and conducting employee training programs at the Studio; (f) changes in any of the above that occur from time to time; and (g) specify approved brands, types and/or models of equipment, furniture, fixtures, and signs (Franchise Agreement – Section 5.1).

2. Continue lending to you a copy of our 165 page Operating Manual (Franchise Agreement – Sections 5.1-5.2). We may modify the Operations Manual periodically to reflect changes in System Standards.

3. Issue and modify the System Standards for Studio franchises (including any optional programs used by your Studio) (Franchise Agreement – Section 5.3).

4. Allow you to use our Marks and confidential information in operating your Studio (Franchise Agreement – Sections 7 and 9). You must use the Marks and confidential information only as authorized in the Franchise Agreement and Operations Manual.

5. Indemnify you against damages for which you are held liable in any proceeding arising out of your use of our Marks in compliance with the Franchise Agreement and reimburse you for costs you incur in defending against any such claim (Franchise Agreement – Section 7.5).

6. Review and approve suppliers and distributors you would like to use (Franchise Agreement – Section 10.3).

7. Provide any product or perform any service for which we or our affiliate are an approved supplier (Franchise Agreement - Section 10.3).

8. As we deem appropriate, provide you and your staff with additional, on-going, and supplemental training programs (Franchise Agreement – Section 4.2). We, or our designee, may hold mandatory and optional training programs for you and your staff regarding new equipment, techniques, services or products, and other appropriate subjects. We may decide to hold these training programs at our own initiative, or in response to your request for additional or special training. We will determine the location, frequency, and instructors of these training programs. You must also pay for all travel, lodging, meal, and personal expenses related to your attendance and the attendance of your personnel. You are required to attend our annual conference, the location of which will be determined by us. Additionally, if you utilize a third-party professional corporation to service your Studio's patients, each provider of the servicing professional corporation must also attend our annual convention. Your attendance at the annual conference is mandatory. You will be solely responsible for the wages and travel, lodging, and living expenses for each attendee of yours who attends the annual conference.

9. Review and approve or disapprove your advertising, marketing, and promotional materials, vendors and activities (Franchise Agreement – Section 11.2). Advertising on the internet or having your own website online is restricted by your Franchise Agreement.

10. We will establish, maintain, and administer the Fund. As available, we will provide you with digital copies of our marketing materials via our intranet. (Franchise Agreement – Section 11.1). The Fund will be used to support and pay for marketing programs we deem necessary, desirable, or appropriate to promote the services and products offered by your and other Studios. Also, we may, at our discretion, charge you for hard or digital copies of marketing materials.

11. As we deem advisable, conduct inspections of your Studio, including evaluations of its training methods, techniques, and equipment; its staff; and the services rendered to its customers to ensure that the high standards of quality, appearance and service of the Degree Wellness System are maintained. (Franchise Agreement – Section 13.1). At any reasonable time and without advance notice to you, we or our agents, such as a "mystery shopper" service, may: (i) inspect the Premises; (ii) observe the operations of the Franchise for such consecutive or intermittent periods as we deem necessary; (iii) interview personnel of the Franchise; (iv) interview customers of the Franchise; and (v) inspect and copy any books, referral sources, marketing and advertising, records and documents relating to the operation of the Franchise. We or our agents may record telephone calls placed to your Studio. We may provide you with additional guidance and training based on the results of these inspections.

Training Program

The Initial Training Program consists of two components: The first component being Business Training, and the second component being Studio Opening Training. You are eligible to attend Business Training only after you have a signed Lease. Typically, franchisees attend Business Training within 90 to 120 days of their anticipated Opening. The completion of Business Training is mandatory. We reserve the right to delay this training if all of the pre-training requirements, as set forth in the Manual and onboarding processes, are not met. If you are hiring a General Manager to run the studio operations, we strongly recommend you have them attend this training as well. Our business-related initial training program will be held at a classroom facility that we designate in the ~~Ann Arbor, Michigan~~Jacksonville, Florida area, although we reserve the right to designate another training facility. We will provide the training, the instructor(s), a training manual, and other materials for up to two trainees. You must pay us a fee (currently $300 per day) for each additional attendee you send to the initial training program. We reserve the right to implement online training in addition to, or that cover certain, business-related subject matters currently included in classroom training sessions. You are responsible for all travel and lodging expenses related to attending ~~Ann Arbor~~Jacksonville Business Training. Training for an unlicensed franchisee will focus exclusively on the operation of the business, retail, and back-office functions, and will avoid training that could be considered the practice of medicine.

Our business training program is led by Jennifer Fields who has over 15 years experience in training and over 5 years experience in the health and beauty industry. Jennifer Fields has experience in developing, training and supporting franchisees. Our technical training instructor, Amanda Watts has over 10 years of training and sales experience, including 2 years in the wellness industry, where she leads all aspects of membership sales, hiring, marketing, customer experience, operations and KPI management. All other trainers will have at least two years of experience in the wellness industry.

The second component of the initial training program is Studio Opening training. Currently we provide one individual (Corporate Trainer) to provide you with on-site

training services at your Studio for a period of up to 5 days, to provide opening support, software, technical and sales training. This training is scheduled at our discretion and is subject to our availability. The Initial Training Fee of $8,000 currently includes the cost of travel for corporate personnel, typically the Studio Opener at your first Studio only. Any/all additional training, including training for—if applicable—your second and subsequent Studio, is currently provided at $300/day plus travel. Initial training is conducted on an as needed basis, in conjunction with Franchisees development, opening schedule and needs, but in no event less than twice per year.

Our initial training program for Degree Wellness Studios is described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Initial Business Training (Company Overview, HR & Team Planning, Unit Economics, KPIs, Selling and General Operations)	16	0	~~Ann Arbor, Michigan~~Jacksonville, Florida, or other designated training center
Service Offering & Memberships	8	8	~~Ann Arbor, Michigan~~Jacksonville, Florida, or other designated training center
Initial Marketing & Pre-sales, Grand Opening & Ongoing Marketing	6	4	~~Ann Arbor, Michigan~~Jacksonville, Florida, or other designated training center
Studio Operations, Mindbody, Client Experience & Front Desk Training	12	20	On the job training at your Studio location
Equipment & Injectables Training	6	8	On the job training at your Studio location
Total Hours	48	40	

The training program is subject to change due to updates and modifications in materials, methods, procedures, manuals and personnel without notice to you. All of these topics are integrated throughout self-directed, virtual, live classroom and in-Studio observation. Your staff will be required to attend all training sessions of the initial training program separate from the training sessions that you attend due to the nature of the topics being covered. In some instances, you and your staff will attend the same training session.

You must attend and participate in all sessions of the initial training program. If we determine that you have not completed or are unable to complete our initial training program satisfactorily, we may offer another chance to re-take the initial training program at your expense. Your failure to complete initial training to our satisfaction will give us the right to terminate your Franchise Agreement.

If we determine, however, that you have not met the minimum requirements for the establishment of the Studio by the timelines set forth in the Manual, we may elect to provide you with additional on-site assistance as we deem appropriate and you agree to pay our per diem fee for this additional assistance as well as our related travel, lodging, and dining costs.

We may make available additional courses, seminars, and other training programs as we consider appropriate. We also reserve the right to make any of these training programs mandatory for you and/or designated owners, employees, general managers, and/or representatives of yours. You will be solely responsible for the wages and travel, lodging, and living expenses for each attendee of yours who attends any additional training program offered and held by us.

You are required to attend one-hundred percent (100%) of our annual conference, a training program that we conduct once per year. The location of the annual conference will be determined by us. Your attendance at the annual conference is mandatory. You will be solely responsible for the wages and travel, lodging, and living expenses for each attendee of yours who attends the annual conference.

Advertising and Marketing

Presale Marketing Plan

You must invest at least $12,000 on presale marketing to promote your Studio prior to opening. We will assist you in creating a marketing and promotional strategy to be executed including suggestions around scheduling relative to the soft-opening of your Studio. This "Presale Marketing" expenditure amount is in addition to the local advertising requirement for your first year, which begins in your first month of operation.

Other Marketing by You

You may develop, at your cost, advertising and promotional materials for your own use, but may not use them until after we have approved them in writing. You must submit to us for our approval samples of all advertising and promotional materials not prepared or previously approved by us that you wish to use. We will not unreasonably withhold our approval. If we do not approve any materials submitted to us within 15 days of receiving them, they will be deemed not approved. Our actual or deemed approval will not mean that we have analyzed or approved any such materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's practice of health related services in its State of licensure. In addition to any contributions to the Fund (see below) and the Technology Fee, each Degree Wellness Studio must spend, at a minimum each month, $2,500 for local advertising, promotion, and marketing.

We may require you to list and advertise your franchise in certain directories distributed within your Protected Territory, and with such internet-based directories, including social media channels, as we may specify. These listings must be made in the directory categories we specify, using our standard forms of listing and classified directory advertisements. We may place classified directory advertisements on a national or regional basis and list your and other Degree Wellness franchises operating within the directories' distribution area, with the cost of the advertisements being reasonably apportioned among all franchises listed.

If you purchase a franchise, you irrevocably consent to the use of your name and likeness, including voice and image, by us and its respective affiliates, successors and assigns, for all commercial purposes, including advertising and promotion, in any media, throughout the world in perpetuity, including but not limited to, on the internet.

We may require you to use a website controlled by us and to require you to use search engine optimization services. In the event we establish a website, or series of websites, for our Systems and Studio franchises, you agree to give us information and materials that we may periodically request concerning your Studio franchise, and to otherwise participate in the System website in the manner that we may require. All advertising and promotional materials that you develop for your Studio franchise must contain the URL of the System website in the manner that we may designate.

Local and Regional Advertising Cooperatives

We may, in our sole discretion, elect to form an advertising cooperative and/or advertising council for the benefit of the franchise system. If advertising cooperatives or councils are formed, we will retain the right to change, dissolve or merge any such cooperative or council, in our sole discretion. As of the date of this disclosure document we have not established any advertising cooperative or council, however, when applicable, the terms of the Franchise Agreement require you to participate in any such advertising cooperative or council as directed by us. The members of the Cooperative for any such area will consist of all Degree Wellness Studios whether operated by us, our affiliate, or by any of our affiliate's wholly-owned subsidiaries or by franchisees. The franchisees will administer the cooperative. If we require you to participate in an established cooperative advertising campaign for your market area, you minimum contribution will be $1,000 per month. The actual amount will be set by the cooperatives governing documents, of which we do not have a copy to provide to you. Each cooperative will establish their own governing documents and self-govern. If Franchisor-owned locations are a part of the advertising cooperative, then they will contribute at the same rate as franchisee-owned locations and have the same voting rights. Each franchisee in the same market will be required to be a member. Your $1,000 minimum monthly cooperative contribution will apply to the satisfaction of your local advertising requirement once the Studio is open at least 12 full months. Governing documents are not available for the franchisee's review. The contribution amount will be set by a majority vote of the members of the cooperative. A membership of the cooperative is determined by the numbers of locations a franchisee may have. For example if a franchisee has three locations within the cooperative, they have three memberships and will be entitle to three votes.

Advertising Councils

There is currently not an advertising council ("Council"), but we reserve the right to establish one in the future. We will select the Council's members, and we may change or dissolve the Council at any time. We anticipate that a Council would serve in an advisory capacity, but may grant to the Council any operational or decision-making powers that we deem appropriate. We, or one or more of our affiliated companies or persons, may also offer separate, optional, advisory councils or groups that may have additional costs to you should you decide to participate.

Advertising by Us – Brand Fund

We currently administer a brand development fund (the "Fund") for the benefit of the entire System of Studio. We use the Fund to meet certain costs related to maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System. We require all Degree Wellness Studios to contribute 1% of their gross revenues to the Fund. All Degree Wellness Studio will be required to contribute to the Fund on the same basis as you, respectively, unless prohibited by law. Your required Fund contribution may be increased to

an amount equal to up to two percent (2%) of the gross revenues generated by your Studio upon 60 days' prior written notice of such an increase via the Manuals or otherwise in writing. Other franchised and affiliate-owned Studio will contribute to the Fund in the same amount and manner as franchised Studio subject only to limitations under applicable law.

We will administer and direct all programs financed by the Fund, and will have sole discretion over the creative concepts, materials, endorsements and media used by the Fund, and the geographic, market, and allocation of the Fund. We have the right to determine, in our sole discretion, the composition of all geographic territories and market areas for the development and implementation of such programs. The Fund may be used to pay any and all costs of maintaining, administering, directing, and preparing national, regional or local advertising materials, programs, research, development, creative and marketing activities, including, without limitation, (a) costs for preparing and conducting television, radio, magazine, billboard, newspaper, internet and other media programs and activities, (b) costs associated with conducting marketing research, (c) costs associated with website development, maintenance, hosting and marketing, including without limitation, search engine optimization and social media, (d) administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising, (e) employing advertising, program and marketing agencies, and vendors providing marketing services, (f) development, implementation and maintenance of online asset management tools, (g) marketing and advertising training programs and materials, and (h) costs for providing promotional brochures and advertising templates and materials to Degree Wellness Studio franchises. Advertising materials developed or produced by the Fund may include video, audio, and written advertising materials, which will be prepared by our in-house marketing department. The Fund will furnish you with approved advertising materials at its direct cost of producing those advertising materials. Amounts contributed to the Fund may be used to place advertising in television, radio, newspaper, or other media as solely determined by us. We will use 0% of the Fund contributions for advertising that is principally a solicitation for the sale of franchises.

The Fund will be accounted for separately from our other funds and will not be used to pay any of our general operating expenses, except for salaries, administrative costs, and overhead that we incur in activities reasonably related to the administration of the Fund and its marketing programs, including preparing advertising and marketing materials, and collecting and accounting for contributions to the Fund. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Fund in that year, and the Fund may borrow from us or other lenders to cover the Fund's deficits or invest any surplus for future use by the Fund. We will prepare an annual unaudited statement of monies collected and costs incurred by the Fund and will provide it to you upon written request. A franchisee may request an annual report of general category spending of the Fund. This report may be requested in writing and will be provided in the manner we determine no more than one time per year and only after March 1 for the prior year. There is no history of a prior fiscal year to disclose in this disclosure document.

We may cause the Fund to be incorporated or operated through an entity separate from us when we deem appropriate, and the entity will have the same rights and duties as we do under your Franchise Agreement. The Fund will be intended to enhance recognition of the Marks and the goodwill and patronage of Studio franchises. Although we will endeavor to use the Fund to develop advertising and marketing materials and programs and place advertising that will benefit all contributing franchises, we have no obligation in developing, implementing, or administering

advertising or promotional programs ensure that the Fund's expenditures in or affecting any geographic area are proportionate or equivalent to the contributions made by any franchise in that geographic area, or that any franchise will benefit from the development of advertising and marketing materials or the placement of advertising by the Fund directly or in proportion to the franchise's contribution to the Fund. We assume no direct or indirect liability or obligation to you or any other Degree Wellness franchisee in connection with the establishment or operation of the Fund, or the collection, administration, or disbursement of monies paid into the Fund. We will not be a fiduciary to you with respect to the management of the Fund.

We may suspend contributions to, and the operations of, the Fund for any period we deem appropriate, and may terminate the Fund upon 30 days' written notice to you. All unspent monies held by the Fund on the date of termination will be distributed to us, our affiliates, and you and our other franchisees in proportion to each party's respective contributions to the Fund during the preceding 12-month period. We may reinstate the Fund if terminated upon the same terms and conditions set forth in the Franchise Agreement upon 30 days' advance written notice to you.

In the future, we may also establish a program to provide additional marketing services to Studio franchises involving the placement of individuals on a local basis to perform marketing activities, subject to applicable law. If you choose to use this marketing program, you must agree to pay the fee determined by us. Your franchise will only be permitted to use this program if you pay this fee.

We are not required to spend ANY amount in advertising in your territory.

Computer System and Billing System

You must purchase and use the computer hardware and software and billing system (collectively, "Computer System") that we periodically designate to operate your Degree Wellness franchise. You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may be limited to us and/or our affiliates). The Computer System will store and generate customer management and accounting, billing, and credit card information. The estimated initial cost of purchasing your Computer System will range from ~~$3,850~~ to ~~$4,250~~. We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, improvements, upgrades, or updates. We have no obligation to reimburse you for any Computer System costs. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

We may charge you a reasonable fee for (i) installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and (ii) other Computer System-related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require. There is currently no optional or required maintenance fees other that Computer System-related fees identified in Item

6. However, the estimated annual expense in maintaining or replacing your computer system is $355 per year.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, repairing and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded. Unless otherwise provided, we and are affiliates will have no responsibilities for these items.

We will have independent, unlimited access to the information the Computer System generates, stores and tracks, including any information pertaining to your gross revenues and all other information stored by the Computer System. There are no limitations on our ability to access the information and data. Client related health information may be protected by HIPPA if franchisees became covered entities.

Item 12

TERRITORY

Territory and Site Selection

The Franchise Agreement for your Studio grants you an exclusive territory known as your Protected Territory, the size of which is based on the population of your market, area demographics, and estimated market demand for our franchised products and services. We typically define Protected Territories based upon population of approximately 100,000 persons. If an approved location for your Studio exists at the time of entering into your Franchise Agreement, you and we will mutually agree on your Protected Territory's boundaries when you sign the Franchise Agreement. If you have not identified an approved location prior to entering into the Franchise Agreement, you will be granted a non-exclusive site selection area from within which you must locate your Studio (the "Site Selection Area"). You will have no territorial rights to the Site Selection Area.

You may operate your Studio (including, if permitted under the Franchise Agreement, our optional programs) only at an approved site that is physically located in your Protected Territory, but may offer services or products in your Protected Territory from outside your approved location (you must obtain our prior written consent to offer products and services from outside your Protected Territory). You may not relocate your Studio to a different site in your Protected Territory without our approval. If you are in compliance with the Franchise Agreement, then neither we nor our affiliates will, within your Protected Territory, operate or grant a franchise for another Degree Wellness Studio offering our franchised services and products or using our Marks. The continuation of your rights to your Protected Territory does not depend on your achievement of any specific sales volume or market penetration. However, the continuation of your rights to your Protected Territory depends upon your compliance with your obligations under your Franchise Agreement. Failure to comply with your obligations under the Franchise Agreement may result in the termination of your franchise. Your Protected Territory may not be modified or altered under any circumstances unless you and we both agree to the change. Other than the foregoing, under no other circumstances may your Protected Territory be altered or modified by us.

You may solicit, accept and sell authorized services and products (including, if permitted under the Franchise Agreement, the services and products under our optional programs) to customers who reside outside your Protected Territory without having to pay any special compensation to us or any other Degree Wellness Studio franchisee. You are permitted to use other channels of distribution, such as the internet, email, social media, telemarketing, or other direct marketing, to make or solicit such sales outside of your Protected Territory. Likewise, Studios owned by us or other Degree Wellness franchisees may solicit, accept, and sell authorized services and products to customers residing in your Protected Territory without having to pay you any special compensation. Studios owned by us and other Degree Wellness franchisees are permitted to use other channels of distribution, such as the internet, email, social media, telemarketing, or other direct marketing, to make or solicit such sales inside of your Protected Territory using the Marks. You may not discount your pricing to attract customers who live in the Protected Territory of another Degree Wellness Studio. Except as otherwise granted pursuant to a Development Agreement, you have no options or rights of first refusal to acquire or purchase additional Degree Wellness Studios. We will not solicit customers from within your Protected Territory and have therefore not established a method compensation for doing so.

Development Agreement

If you enter into a Development Agreement, provide a Development Schedule and assign a Site Selection Area for all Studios that will be developed. The size of the Site Selection Area will likely vary among new prospects and developers, with the size of your Site Selection Area typically depending on the demographics of the area in and around the region you wish to develop.

We typically identify your initial Site Selection Area, early during the franchise due diligence and offer process, based on where you tell us you wish to operate, and the agreed-to geographic description is inserted into your Development Agreement before you sign it. The Site Selection Area may not be modified at any time during the term of the Development Agreement unless the parties mutually agree to the modification in a separate signed writing. Site Selection Areas are exclusive, and will not allow other franchisees into your Site Selection Area as long as you are compliant with your Development Agreement.

Once you have secured a Premises for a given Studio to be developed per your Development Agreement, we will grant you a Protected Area around that Studio as described above. Each new site approved pursuant to your Development Agreement will be approved in accordance with our then-current site criteria.

Development Schedule

Your Development Schedule will depend on the number of units you acquire the rights to develop in your Development Agreement. If you enter into an agreement granting you the rights to develop three units, your Development Schedule will be as follows:

Expiration of Development Period (each, a "Development Period")	No. of New Studios Opened Within Development Period	Cumulative No. of Studios that Must Be Open and Operating
12 Months from Effective Date	1	1

Months 13 through 24 of the Development Agreement	1	2
Months 24 through 36 of the Development Agreement	1	3
If you purchase 4 or more Studios, your Development Period for each successive Studio will be mutually agreed upon at the time you enter a Development Agreement.	TBD	TBD

Reservation of Rights

We and our affiliates reserve the right to engage in any activities we deem appropriate that your Franchise Agreement does not expressly prohibit, whenever and wherever we desire, including the right to (a) operate, or grant to others the right to operate, Degree Wellness Studio franchises physically located outside of your Protected Territory on terms and conditions we deem appropriate; and (b) offer or operate other healthcare-related companies or franchises, or enter into other lines of business, offering products and services that are similar or dissimilar to those offered by Degree Wellness franchises, both in and outside of your Protected Territory, under trademarks and service marks other than the Marks without any compensation to you, and to use other channels of distribution (for example, the internet, email, social media, telemarketing, or other direct marketing) in connection with such system(s) and/or location(s); (c) the right to sell or distribute, at retail or wholesale, directly or indirectly, or via the internet or any other means, or license others to sell or distribute, via any means (including the internet and other channels of distribution) any products that bear any proprietary marks, including the Marks, whether within or outside your Protected Territory; (d) the right to own, acquire, establish, and/or operate, and license others to establish and operate, businesses different from Degree Wellness franchises but operated under the Marks within or outside your Protected Territory, and to use other channels of distribution (for example, the internet, email, social media, telemarketing, or other direct marketing) in connection with such system(s) and/or location(s); and (e) the right to be acquired (whether though acquisition of assets, or equity interests or otherwise, regardless of the form of transaction) by a business or entity providing products and services similar to those provided by Degree Wellness franchises even if that business or entity operates, franchises, or licenses competitive businesses in your Protected Territory. We and our affiliates have used and reserve the right to use other channels of distribution, such as the internet, catalog sales, telemarketing, and other direct marketing, to make or solicit such sales under trademarks and service marks other than the Marks.

At this time, we do not operate, franchise or have plans to operate or franchise a business under a different trademark or servicemark that is similar or dissimilar to the products and services offered by Degree Wellness franchises. Our affiliate, Degree Wellness International, LLC, plans to offer and sell Degree Wellness Studio internationally using the Marks. Degree Wellness International, LLC, will not use a different trademark or servicemark to offer or sell Studio franchises and will not offer or sell Studios in your Protected Territory.

Item 13

TRADEMARKS

We grant you the right to operate your Degree Wellness franchise using our principal Marks: the name "Degree Wellness" the stylized "d" and " ENERGY FOR LIFE", in your Degree Wellness franchise.

We have the following registered marks with the PTO:

Mark	Registration Number	Date of Registration	Principal or Supplemental Register
DEGREE WELLNESS	5848995	Sep. 03, 2019	Principal
	5848997	Sep. 03, 2019	Principal
ADVANCED TECHNOLOGY. ADVANCED RESULTS.	5848996	Sep. 03, 2019	Principal

We do not have a federal registration for all of our principal trademarks. Therefore, some of our trademarks do not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses. The following registrations are currently pending:

MARK	STATUS	REGISTER	SERIAL NUMBER	FILING DATE
ENERGY FOR LIFE	Application Filed	Principal	98566117	May 23, 2024
RELAX INTO BETTER HEALTH	Application Filed	Principal	98566671	May 23, 2024

We have filed all affidavits required by the PTO in connection with these marks. Franchisor intends to work with licensor to renew the registration at the times required by law.

We do not know of other superior prior rights or infringing uses that could materially affect your use of the Marks in any state. However, it is possible that the Marks have been used by others;

and we cannot represent with certainty that we have exclusive or superior rights to the Marks in all geographic areas.

There are no currently effective material determinations of the PTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court. Other than stated above, there are no pending infringement, opposition, or cancellation proceedings or material federal or state litigation involving the use and ownership of any of our trademarks. Other than stated above, no agreement significantly limits our right to use or license the Marks in a manner material to your Studio franchise.

Your right to use the Marks is derived solely from your Franchise Agreement, and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable specifications, standards, and operating procedures we prescribe during the term of your franchise, including, without limitation, timely payment of the Initial Franchise Fee, Continuing Franchise Fees, Fund contributions, and all other sums due to us. Any unauthorized use of the Marks by you will constitute an infringement of our rights in and to the Marks. Your use of the Marks and any goodwill established by them will be for our exclusive benefit, and your Franchise Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of your Franchise Agreement applicable to the Marks will apply to any additional proprietary trade and service marks and commercial symbols authorized for use by, and licensed to you under, your Franchise Agreement. You may not at any time during or after the term of your franchise contest, or assist any other person in contesting, the validity or ownership of any of the Marks.

You must use the Marks as the sole identification of your franchise, but must also identify yourself as the independent owner of the franchise in the manner we prescribe. You may not use any Mark as part of any corporate or trade name, or with any prefix, suffix, or other modifying words, terms, designs or symbols, or in any modified form. You also may not use any Mark with the sale of any unauthorized service, to promote any business or commercial venture other than your Studio franchise, or in any manner we have not expressly authorized in writing. You must prominently display the Marks on or with franchise posters and displays, service contracts, stationery, other forms we designate, and in the manner we prescribe; to give any notices of trade and service mark registrations and copyrights that we specify; and to obtain any fictitious or assumed name registrations that may be required under applicable law.

You must immediately notify us of any apparent use of, or claims of rights to a trademark identical to or confusingly similar to the Marks. You may not communicate with any person other than us and our counsel about the apparent infringement, challenge, or claim. We and our affiliates will have sole discretion to take any affirmative action as we deem appropriate in, and the exclusive right to control any litigation or PTO or other proceeding arising out of any apparent infringement, challenge, or claim, or otherwise relating to any Mark. You must sign any instruments and documents, render any assistance, and perform any acts that our or our affiliates' counsel deems necessary or advisable to protect and maintain our or our affiliates' interests in any litigation or PTO or other proceeding related to any Mark, or otherwise protect and maintain our interests in the Marks.

If we decide that it is advisable for us and/or you to modify or discontinue use of any Mark and/or use one or more additional or substitute trade or service marks, then you must comply with our instructions to do so within a reasonable time after receiving notice from us at your own

expense and we need not reimburse you for any loss of revenue due to any modified or discontinued Mark.

We will indemnify you against, and reimburse you for, (1) all damages for which you are held liable in any judicial or administrative proceeding arising out of your use of any Mark in compliance with your Franchise Agreement; and (2) all costs you reasonably incur in defending against any claim brought against you or in any proceeding in which you are named as a party, provided that you have timely notified us of the claim or proceeding, provided us with the opportunity to defend the claim, cooperated with the defense of the claim, and otherwise complied with the Franchise Agreement. We may defend any proceeding arising out of your use of any Mark under your Franchise Agreement, and have no obligation to indemnify or reimburse you for any attorneys' fees or disbursements you incur if we defend the proceeding.

Item 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Except as provided in this item, you do not receive the right to use an item covered by a registered patent or copyright, but you can use the proprietary information in our Operations Manual. See Item 11 for additional information about our Operations Manual. We do not own any rights in or licenses to any patents or have any pending patent applications that are material to the franchise. Although we have not filed an application for copyright registration of our Operations Manual or other copyrighted or copyrightable materials and items, we claim copyright protection in them, and they are proprietary. We do not have any obligation to take action for unauthorized uses of the information in our Operations Manual or other copyrighted item, but we intend to do so in circumstances we deem appropriate. We do not have to indemnify you for losses brought by a third party concerning your use of this information, but intend to do so under circumstances we deem appropriate. Unless otherwise provided in this Item 14, we are not aware of any other material infringing uses of this information. There are no agreements in effect affecting or limiting our right to use this information. There are no material determinations of, or proceedings in, the United States Patent and Trademark Office, the United States Copyright Office or a court concerning any patent or copyright owned by us.

We and our affiliates have developed proprietary confidential information comprising methods, techniques, procedures, information, systems, and knowledge of and experience in the design and operation of Degree Wellness franchises, including but not limited to (1) services and products offered and sold at Degree Wellness franchises and knowledge of sales and profit performance of any one or more Degree Wellness franchises; (2) sources of products sold from Degree Wellness franchises; (3) advertising and promotional programs and image and decor; (4) Degree Wellness franchise image and decor; (5) methods, techniques, formats, specifications, procedures, information, systems and knowledge of and experience in the development, operation, and franchising of Degree Wellness franchises; (6) copyrighted or copyrightable materials, including, without limitation, office forms and procedures, training, promotional, and marketing materials, telephone scripts and the content of the Operations Manual and other works of authorship under or in connection with the operation of the System; and (7) the methods of training employees (collectively, the "Confidential Information"). We will disclose the Confidential Information to you in the initial training program described in Item 11, the Operations Manual lent to you, and guidance furnished to you during the term of your franchise. You will not acquire any

interest in the Confidential Information other than the right to use it in the development and operation of your franchise during the term of the franchise.

The Confidential Information is proprietary, and, except to the extent that it is or becomes generally known in the industry or trade, is our trade secret, and is disclosed to you solely for your use in the operation of your franchise during the term of the franchise. You (1) must not use, directly or indirectly, the Confidential Information in any other business or capacity or for any purpose other than as needed in the development or operation of your franchise during the term of the franchise; (2) must maintain the confidentiality of the Confidential Information during and after the term of the franchise and not directly or indirectly publish or otherwise disclose it to any third party; (3) must not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media; and (4) must adopt and implement all reasonable procedures, including any that we may prescribe periodically, to prevent the unauthorized use or disclosure of any of the Confidential Information, including restrictions on disclosure to your employees and the use of nondisclosure clauses in employment agreements with your employees.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Your Studio franchise must operate at a site we approve and according to our standards, specifications, operating procedures, and rules (the "System Standards"). Unless we approve your employment of an on-site general manager to operate your Degree Wellness franchise, you (if you are an individual) or one of your principal owners, officers, directors, or employees approved by us (if you are a legal entity) must actively participate in the actual operation of the franchise, and devote as much of your time as may be reasonably necessary for its efficient operation. If we agree to your employment of a general manager, then the general manager will supervise the day-to-day operation of your franchise. Each general manager and successor general manager must attend and complete our initial training program for your franchise prior to commencing the role of General Manager (see Item 11). We do not require that the general manager have an equity interest in your franchise, but he or she cannot have any interest in or business relationship with any business competitor of your franchise, and must sign a written agreement to maintain confidential the proprietary information described in Item 14 and conform with the covenants not to compete described in Items 17(q) and 17(r), as well as non-disparagement and non-solicitation covenants described in Items 17 (x) and 17(y). Some state laws and regulations affecting the healthcare profession may require a licensed professional to own or supervise your franchise or that you enter into a management agreement with a licensed professional. You are responsible for complying with these state laws and regulations.

Obligations of Owners

You (if an individual) or each of your owners (if you are a legal entity) must sign an Assumption and Guarantee of Obligations (attached to the Franchise Agreement as Exhibit 3), agreeing to be bound by and guaranteeing your obligations as the "franchisee" under your Franchise Agreement. If you and/or your owners transfer your Franchise Agreement or any related interest, then you and/or the owners making the assignment must agree to be bound by the terms of the Agreement, and guarantee the obligations of the "franchisee" under the Agreement. As a

condition of our consent to allow you to transfer your franchise to a third party, we may require you to guarantee the performance of a third party. You and your owners must at all times faithfully, honestly and diligently perform your and their obligations under the Franchise Agreement. You and they must promote and enhance your franchise. Neither you nor your owners can engage in any other business or activity that may conflict with your or their obligations under your Franchise Agreement. If you are an unlicensed franchisee, your oversight responsibilities in managing the business are separate and distinct from those services provided by the professional corporation.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those services and products we have approved for your type of franchise. You must also offer all goods and services that we designate for your type of franchise. You may not offer or sell any goods, services, equipment, or products that we prohibit without our written consent. We may add new or additional products and services that you must offer at your franchise. There are no restrictions in the Franchise Agreement on our right to do this. All advertising, signs, promotional materials, decorations and other related items we designate must have the Marks in the form we specify. The products and services approved or required by us shall not be deemed to affect or otherwise influence your judgment as to particular services and products that will be offered to individual patients. Unlicensed franchisees are responsible for all product and supply lists related to the business except for those relating to IV and IM injections.

Item 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Franchise Agreement

Provision	Section in Franchise Agreement	Summary
a. Length of franchise term	Section 2.1	10 years
b. Renewal or extension of the term	Section 2.4	Additional terms of 10 years
c. Requirements for you to renew or extend	Section 2.4	The term "renewal" means that you will be granted a franchise for 1 additional term, equal in length to the initial term, subject to your compliance with all the terms of the Franchise Agreement and all other agreements between you and us,

Provision	Section in Franchise Agreement	Summary
		including the Operations Manual. At least 6 months before the expiration of your franchise, we will notify you as to whether you appear eligible to renew the Franchise or, if applicable, we will provide you with a notice of deficiencies. If you appear to be eligible for renewal, we will ask you to provide us with notice of your intent to renew within a specific time period after receipt of our notice. Also, you must: maintain possession of premises and refurbish and redecorate in compliance with our then current requirements or obtain and develop suitable substitute premises; correct any deficiencies in the operation of the franchise identified in our written notice to you prior to expiration; sign our then current franchise agreement and any ancillary documents; pay a renewal fee (see Item 6); and sign a general release of any and all claims against us, our officers, directors, employees and agents (see Exhibit H). You may be asked to sign a contract with materially different terms and conditions than your original Franchise Agreement. Your right to renew will be contingent upon your acceptance of these new terms and conditions.
d. Termination by you	None.	You may be able to terminate under grounds permitted by applicable law. The Franchise Agreement does not give you a contract right to terminate prior to the end of the stated term.
e. Termination by us without cause	Not applicable	Not applicable.
f. Termination by us with cause	Section 15	Only upon written notice, except that if you fail to timely and expressly assume, ratify or confirm the Franchise Agreement in any bankruptcy proceeding and you cease, or have ceased, performance

Provision	Section in Franchise Agreement	Summary
		under the Franchise Agreement in any respect, then all rights granted to you under the Franchise Agreement shall immediately and automatically terminate and revert to us without further notice to you or action on our part. A termination of your Franchise Agreement will not automatically result in a termination of your Development Agreement, if applicable.
g. "Cause" defined –curable defaults	Section 15	You do not pay us within 10 days after written notice; you do not comply with any other provision of the Franchise Agreement or specification, standard, or operating procedure and do not correct such failure within 30 days after written notice.
h. "Cause" defined – non-curable defaults	Section 15	You fail to timely develop or open the franchise; you (or any individuals required to attend) fail to attend and/or successfully complete any required initial training or subsequent mandatory training; you abandon, surrender, transfer control of or do not actively operate the franchise or lose the right to occupy the franchise location; you or any Principal Owner make an unauthorized transfer or assignment of the franchise or its assets; you are adjudged a bankrupt, become insolvent, or make an assignment for the benefit of creditors, or you fail to satisfy any judgment rendered against you for a period of 30 days after all appeals have been exhausted; you use, sell, or distribute unauthorized products, or use any patient referral or marketing services that has not been formally approved by us in writing and in advance for your franchise or for the franchise system as a whole; you or your Principal Owners are convicted

Provision	Section in Franchise Agreement	Summary
		of a felony, or are convicted or plead no contest to any crime or offense that adversely affects the reputation of the franchise and the goodwill of our Marks, or otherwise engage in any dishonest, unethical or conduct that is reasonably likely to reflect materially and unfavorably on the goodwill or reputation of your Franchise, the Marks or the System; you understate your gross revenues for any period as determined by an audit or inspection by greater than 5%; you violate any health or safety law or ordinance or regulation, or operate the franchise in a way that creates a health or safety hazard; you fail to submit when due any financial statements, reports or other data, information, or supporting records; or you fail on 3 or more occasions within any cause active 12 month period to comply with the Franchise Agreement regardless of whether you properly them. Also, in the event you fail to timely and expressly assume, ratify or confirm the Franchise Agreement in any bankruptcy proceeding and you cease, or have ceased, performance hereunder in any respect, then all rights granted to you under the Franchise Agreement shall immediately and automatically terminate and revert to us without further notice to you or action on our part. Also, in the event, in the opinion of our legal counsel, any provision of the Franchise Agreement is contrary to law and we are not able to negotiate an amendment to the Franchise Agreement to conform to legal requirements upon 30 days' notice, or the amendment requires a fundamental change to the Franchise

Provision	Section in Franchise Agreement	Summary
		Agreement, we may terminate the Franchise Agreement.
i. Your obligations on termination/ non-renewal	Section 16	You must pay all amounts owed to us; refrain from using our Marks, return to us or destroy (as we specify) all customer lists, forms and materials bearing our Marks or relating to the franchise; de-identify the franchise premises; return the Operations Manual; comply with covenants against competition and the non-solicitation, non-disparagement, and non-disclosure covenants in Section 9 of the Franchise Agreement; and cease using all confidential information. You irrevocably appoint us your attorney-in-fact- to de-identify your franchise premises and enforce your requirement to discontinue use of the Marks if you do not perform these obligations within 10 days of the termination of your Agreement. You must also (1) execute any documents and take any steps necessary to delete your listings from classified telephone directories, disconnect, or, at our option, assign to us all telephone numbers that have been used in your Franchised Business, assign to us any URLs, domain names, and social media and social networking names that you have used in connection with your Franchised Business, and terminate all other references that indicate you are or ever were affiliated with us, and (2) give us a final accounting for your Studio, and you must maintain all accounts and records for your Studio for a period of not less than seven years after final payment of any amounts you owe to us, our affiliates, and/or related persons, but you may not sell, disclose, or otherwise

Provision	Section in Franchise Agreement	Summary
		transfer any of the information contained in those accounts and records (other than patient records needed for their continuing care) to, or for use by, any competitive business.
j. Assignment of contract by us	Section 14.3	Fully transferable by us.
k. "Transfer" by you-defined	Section 14	Transfer includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the franchise or its assets, or any interest in the franchise.
l. Our approval of transfer by you	Section 14.4	You may not transfer the Franchise Agreement, the franchise or its assets or any interest in the franchise without our approval. We will not unreasonably withhold approval if you are in full compliance with the Franchise Agreement.
m. Conditions for our approval of transfer	Section 14.5	If you propose to transfer the Franchise Agreement, the franchise or its assets, or any interest in the franchise, or if any of your Principal Owners proposes to transfer a controlling interest in you or make a transfer that is one of a series of transfers which taken together would constitute the transfer of a controlling interest, then you must apply to us for approval of such transfer and sign such forms and procedures as we have in effect at that time, the person or entity to whom you wish to make the transfer must apply to us for acceptance as a franchisee, and you must submit to us all of the information and documentation required for us to evaluate the proposed transfer. Also, the new owner must have sufficient business experience,

Provision	Section in Franchise Agreement	Summary
		aptitude and financial resources to operate the franchise; you must pay all amounts due us or our affiliates; new owner and its director must successfully complete our initial training program; your landlord must consent to transfer of the lease, if any; you must pay us a transfer fee (see Item 6); you and your Principal Owners must sign a general release in favor of us, our affiliates, and our and their officers, directors, employees and agents (see Exhibit I); you and your Principal Owners must comply with all post-termination obligations in the Franchise Agreement; new owner must agree to remodel to bring the franchise and the Premises to current standards; new owner must assume all obligations under your Franchise Agreement or, at our option, sign a new Franchise Agreement using our then-current form. We also may approve the material terms of the transfer, and require that you enter into an agreement with us providing that all obligations of the new owner to make installment payments of the purchase price to you or your Principal Owners will be subordinate to the obligations of the new owner to pay any amounts payable under the Franchise Agreement or any new Franchise Agreement that we may require the new owner to sign in connection with the transfer, and containing a general release of any claims that you may have against us. (see Exhibit I).
n. Our right of first refusal to acquire your business	~~Not applicable.~~Section 14.4(f)	~~Not applicable.~~ We can match any offer for your business.
o. Our option to purchase your business	Not applicable.	Not applicable.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of franchisee	Section 14.6	Executor, administrator, or other personal representative must transfer interest within 12 months; all transfers are subject to provisions in Franchise Agreement regulating transfers.
q. Non-competition covenants during the term of the franchise	Section 9.3 and 17.8	Neither you, your Principal Owners, General Managers, nor any immediate family members of you or your Principal Owners may perform services for or have any interest in any competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable.
s. Modification of the agreement	Section 20	No modifications to Franchise Agreement unless you and we agree in writing; we may amend Operations Manual at any time.
t. Integration/merger clause	Section 20	Only the Franchise Agreement applies (subject to state and federal law); all other agreements or promises not enforceable, except that nothing in the Franchise Agreement will operate to waive or disclaim your right to rely on the representations and claims asserted in this FDD.
u. Dispute resolution by arbitration or mediation	Section 17.9	Except for certain claims, we and you must arbitrate all disputes in Duvall, Florida (subject to state law) before a single arbitrator with the American Arbitration Association. Except as we elect to enforce the Franchise Agreement or to seek temporary or permanent injunctive relief, before either party commences an arbitration, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in

Provision	Section in Franchise Agreement	Summary
		a mutually agreeable location, or if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters. In the event that no settlement or resolution between the parties can be reached through internal mediation within thirty (30) days following the date on which a written request for internal mediation is made by any party, such dispute may be submitted for arbitration. "Internal mediation" shall consist of, among other things, the parties having reasonable business discussions, whether by telephone or in person, concerning the dispute and means of resolving the dispute.
v. Choice of forum	Section 17.9 and 17.11	Duvall, Florida (subject to applicable state law).
w. Choice of law	Section 17.11	Florida law governs, except for matters regulated by the United States Trademark Act (subject to applicable state law).

Development Agreement

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Section 6.1	The term begins on the effective date and ends on the earlier of the date you open the last Studio you are required to open under your Development Schedule or the expiration of your Development Schedule.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for franchisee to renew or extend	Not Applicable	Not Applicable
d. Termination by franchisee	Not Applicable	Franchisees may terminate the agreements under any grounds permitted by state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable

Provision		Section in Development Agreement	Summary
f.	Termination by franchisor with cause	Section 6.2	We may terminate your Development Agreement with cause as described in (g)-(h) of this Item 17 Chart.
g.	"Cause" defined – curable defaults	Section 6.2	We may terminate the Development Agreement if you fail to meet your development obligations under the Development Agreement during the Development Period (including any monetary default) and you fail to cure such default within 30 days of receiving notice.
h.	"Cause" defined – non-curable defaults	Section 6.2	We may terminate the Development Agreement if you cease to actively engage in development activities in the Site Selection Area or otherwise abandon your development business for three consecutive months, or any shorter period that indicates an intent by you to discontinue development of the Studios within the Site Selection Area; you become insolvent or are adjudicated bankrupt, or if any action is taken by you, or by others against the you, under any insolvency, bankruptcy or reorganization act, or if you make an assignment for the benefit or creditors or a receiver is appointed by you; and any Franchise Agreement that is entered into in order to fulfill your development obligations under the Development Agreement is terminated or subject to termination by us, pursuant to the terms of that Franchise Agreement.
i.	Developer's obligations on termination/ nonrenewal	Not Applicable	Not Applicable
j.	Assignment of contract by franchisor	Section 8	We have the right to transfer or assign the Development Agreement and all or any part of our rights, duties or obligations to any person or legal entity without your consent.
k.	"Transfer" by developer – defined	Section 8	Any transfer in you (if you are an entity) or your rights/obligations under the Development Agreement.
l.	Franchisor's approval of transfer by developer	Section 8	You may not transfer any rights or obligations under the Development Agreement without our prior written consent.
m.	Conditions for franchisor's approval of transfer	Not Applicable	Not Applicable
n.	Franchisor's right of first refusal to acquire developer's business	Not Applicable	Not Applicable
o.	Franchisor's option to purchase developer's business	Not Applicable	Not Applicable
p.	Death or disability of developer	Not Applicable	Not Applicable
q.	Non-competition covenants during the term of the franchise	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.

Provision		Section in Development Agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Not Applicable	Nothing additional. Please see non-competition covenants set forth in your Franchise Agreement(s) entered into under the Development Agreement.
s.	Modification of the agreement	Section 27	Your Development Agreement may not be modified, except by a writing signed by both parties.
t.	Integration/merger clause	Section 27	Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and the Development Agreement may not be enforceable. Nothing in this Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 12 and 13, 15	Except for certain claims, we and you must arbitrate all disputes in Duvall, Florida (subject to state law) before a single arbitrator with the American Arbitration Association. Except as we elect to enforce the Franchise Agreement or to seek temporary or permanent injunctive relief, before either party commences an arbitration, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in a mutually agreeable location, or if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters. In the event that no settlement or resolution between the parties can be reached through internal mediation within thirty (30) days following the date on which a written request for internal mediation is made by any party, such dispute may be submitted for arbitration. "Internal mediation" shall consist of, among other things, the parties having reasonable business discussions, whether by telephone or in person, concerning the dispute and means of resolving the dispute.
v.	Choice of forum	Section 15	Duvall, Florida (subject to state law).
w.	Choice of law	Section 11	Subject to applicable state law, the Franchise Agreement is to be interpreted and construed under Florida law (without giving effect to any conflict of law) except that any law regulating the offer or sale of franchises, business opportunities or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently.

Additional Information

See Exhibit K for any state-specific disclosures required by your state.

Item 18

PUBLIC FIGURES

We do not use any public figures 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.

Written substantiation of the data used in preparing the following financial performance representation will be made available to you upon reasonable request.

Some affiliate locations sold these amounts. Your individual results may vary. There is no assurance that you will sell as much.

~~This Item disclosed~~Table 1 discloses the historical performance of each affiliate-owned location that was open for the entire 2024~~2023~~ calendar year (the "2024 Measurement Period"). ~~Each of the disclosed locations have~~The studio labelled Studio 1 has the same financial and ~~operation~~operational characteristics as ~~a~~ those being offered pursuant to this disclosure document and do not otherwise materially differ from what you would operate as a franchisee. Studio 2, however, although it operated under the same trademarks, is unable to offer several key services and features. Namely, it does not offer contrast therapy or cold plunge, and it does not have showers. Studio 2 is being relocated to a new site in order to offer these services. As of the issuance date of this Disclosure document Studio 2 has terminated its original lease and entered into a new lease. However, it has not yet completed its relocation.

~~**Some affiliate locations sold these amounts. Your individual results may vary. There is no assurance that you will sell as much.**~~

~~Tables 1 and 2 shows the percentage breakdown of clients as between members and non-members as well as the average spend per month by client type. For the purposes of this disclosure Client Type means either a Member who pays a monthly recurring fee, or a Non-Member who pays for services on an a la carte basis. No locations that operated during the entire measurement period were excluded from this table.~~

Table 1~~: Breakdown of Revenue by Client Type~~ – Profit and Loss for Calendar Year 2024

~~Client Type~~	~~Studio 1~~	~~Studio 2~~	~~Average/Median~~
~~Members~~	~~81%~~	~~75%~~	~~78%~~
~~Non-Members~~	~~19%~~	~~25%~~	~~22%~~
~~Total Revenue~~	~~100%~~	~~100%~~	~~100%~~

	Studio 1	% of Rev.	Studio 2	% of Rev.	Average/Median	% of Rev.
Gross Revenue	**738,070**	**100.0%**	**482,725**	**100.0%**	**610,397**	**100.0%**
Cost of Goods Sold	66,837	9.1%	43,044	8.9%	54,940	9.0%
Gross Profit	671,233	90.9%	439,682	91.1%	555,457	91.0%
Expenses						
Advertising & Marketing	31,900	4.3%	51,106	10.6%	41,503	6.8%
Insurance	5,275	0.7%	3,412	0.7%	4,343	0.7%
Office Expenses	10,058	1.4%	10,305	2.1%	10,182	1.7%
Payroll Expenses	137,648	18.6%	93,674	19.4%	115,661	18.9%
Rent & Lease	56,401	7.6%	98,476	20.4%	77,439	12.7%
Repairs & Maintenance	4,796	0.6%	4,071	0.8%	4,434	0.7%
Taxes	4,446	0.6%	2,932	0.6%	3,689	0.6%
Utilities	17,030	2.3%	2,791	0.6%	9,910	1.6%
Total Expenses	**267,554**	**36.3%**	**266,767**	**55.3%**	**267,160**	**43.8%**
Net Operating Income	**403,679**	**54.7%**	**172,915**	**35.8%**	**288,297**	**47.2%**
Estimated Fees						
Royalties	51,665	7.0%	33,791	7.0%	42,728	7.0%
Brand Fund	7,381	1.0%	4,827	1.0%	6,104	1.0%
Total Estimated Fees	**59,046**	**8.0%**	**38,618**	**8.0%**	**48,832**	**8.0%**
Net Income Adjusted, OO	**344,633**	**46.7%**	**134,297**	**27.8%**	**239,465**	**39.2%**
Studio Manager Payroll Expenses	61,096	8.3%	50,986	10.6%	56,041	9.2%
Net Income Adjusted, Investor	**283,537**	**38.4%**	**83,311**	**17.3%**	**183,424**	**30.0%**

Table 2~~: Average Spend per Month by Client Type~~

	~~Studio 1~~	~~Studio 2~~	~~Average/Median~~
~~*Members, average*~~			
~~Number per month~~	~~271~~	~~250~~	~~260~~
~~Spend per month~~	~~$157~~	~~$129~~	~~$144~~
~~*Non-Members, average*~~			
~~Number per month~~	~~128~~	~~128~~	~~128~~
~~Spend per month~~	~~$79~~	~~$84~~	~~$82~~

~~Table 3 contains information regarding membership sales for the most recently opened affiliate studio as of the date of this disclosure document ("Studio 3"). The affiliate studio opened March 31, 2024. For purposes of this table, a "Pre-Sale" means a membership that was sold prior to the studio opening.~~

Profit and Loss for First Quarter 2025

Table ~~**3: Total Memberships Pre-Sales and Total Memberships for Studio 3 One Month after Opening**~~

	~~Pre-Sales as of 3/30/24~~	~~Memberships as of 4/30/24~~
~~Total~~	~~144~~	~~189~~

~~Table 4 below shows~~2 discloses the ~~profit and loss information for~~historical performance of 3 affiliate-owned locations ~~operating~~ for the ~~"~~first quarter of 2025 (the "2025 Measurement Period~~". No locations~~"). Studio 2 was excluded from this table on the basis that ~~operated~~it is in the process of being relocated and was in the process of winding down operations during the ~~entire~~2025 Measurement period ~~were excluded from this table.~~. Except for Studio 2, each disclosed location has the same financial and operational characteristics as those being offered pursuant to this disclosure document and do not otherwise materially differ from what you would operate as a franchisee.

~~Table 4: Profit and Loss Information of Affiliate Studios~~

-	**~~Studio 1~~**	**~~% of Rev.~~**	**~~Studio 2~~**	**~~% of Rev.~~**	**~~Average~~**	**~~% of Rev.~~**
~~Gross Revenue~~	**~~$616,910~~**	**~~100.0%~~**	**~~$513,610~~**	**~~100.0%~~**	**~~$565,260~~**	**~~100.0%~~**
~~Cost of Goods Sold~~	~~$57,840~~	~~9.4%~~	~~$40,860~~	~~8.0%~~	~~$49,350~~	~~8.7%~~
~~Gross Profit~~	**~~$559,070~~**	**~~90.6%~~**	**~~$472,750~~**	**~~92.0%~~**	**~~$515,910~~**	**~~91.3%~~**
-	-	-	-	-	-	-
~~*Expenses*~~	-	-	-	-	-	-
~~Advertising & Marketing~~	~~$26,850~~	~~4.4%~~	~~$47,040~~	~~9.2%~~	~~$36,945~~	~~6.5%~~
~~Insurance~~	~~$6,560~~	~~1.1%~~	~~$4,040~~	~~0.8%~~	~~$5,300~~	~~0.9%~~
~~Office Expenses~~	~~$12,390~~	~~2.0%~~	~~$11,860~~	~~2.3%~~	~~$12,125~~	~~2.1%~~
~~Payroll Expenses~~	~~$144,395~~	~~23.4%~~	~~$105,798~~	~~20.6%~~	~~$125,097~~	~~22.1%~~
~~Rent & Lease~~	~~$51,960~~	~~8.4%~~	~~$100,440~~	~~19.6%~~	~~$76,200~~	~~13.5%~~
~~Repairs & Maintenance~~	~~$5,130~~	~~0.8%~~	~~$1,070~~	~~0.2%~~	~~$3,100~~	~~0.5%~~
~~Taxes~~	~~$4,670~~	~~0.8%~~	~~$2,840~~	~~0.6%~~	~~$3,755~~	~~0.7%~~
~~Utilities~~	~~$17,330~~	~~2.8%~~	~~$2,750~~	~~0.5%~~	~~$10,040~~	~~1.8%~~
~~Total Expenses~~	**~~$269,285~~**	**~~43.7%~~**	**~~$275,838~~**	**~~53.7%~~**	**~~$272,562~~**	**~~48.2%~~**
~~Net Operating Income~~	**~~$289,785~~**	**~~47.0%~~**	**~~$196,912~~**	**~~38.3%~~**	**~~$243,349~~**	**~~43.1%~~**
-	-	-	-	-	-	-
~~*Estimated Fees*~~	-	-	-	-	-	-
~~Royalties~~	~~$43,184~~	~~7.0%~~	~~$35,953~~	~~7.0%~~	~~$39,569~~	~~7.0%~~
~~Brand Fund~~	~~$6,169~~	~~1.0%~~	~~$5,136~~	~~1.0%~~	~~$5,653~~	~~1.0%~~
~~Total Estimated Fees~~	**~~$49,353~~**	**~~8.0%~~**	**~~$41,089~~**	**~~8.0%~~**	**~~$45,221~~**	**~~8.0%~~**
-	-	-	-	-	-	-
~~Net Income Adjusted, OO~~	**~~$240,432~~**	**~~39.0%~~**	**~~$155,823~~**	**~~30.3%~~**	**~~$198,128~~**	**~~35.1%~~**
~~General Manager Payroll Expenses~~	~~$46,175~~	~~7.5%~~	~~$39,834~~	~~7.8%~~	~~$43,005~~	~~7.6%~~
~~Net Income Adjusted, Investor~~	**~~$194,257~~**	**~~31.5%~~**	**~~$115,989~~**	**~~22.6%~~**	**~~$155,123~~**	**~~27.4%~~**

	Studio 1	% of Rev.	Studio 3	% of Rev.	Studio 4	% of Rev.	Average	% of Rev.	No. Above/Below	Median
Gross Revenue	**181,459**	**100.0%**	**137,586**	**100.0%**	**156,307**	**100.0%**	**158,451**	**100.0%**	**1/2**	**156,307**
Cost of Goods Sold	19,269	10.6%	12,047	8.8%	16,452	10.5%	15,922	10.0%	2/1	16,452
Gross Profit	162,190	89.4%	125,539	91.2%	139,855	89.5%	142,528	90.0%	1/2	
Expenses										
Advertising & Marketing	8,234	4.5%	8,308	6.0%	12,293	7.9%	9,612	6.1%	1/2	8,308
Insurance	1,382	0.8%	1,094	0.8%	1,731	1.1%	1,402	0.9%	1/2	1,382
Office Expenses	2,649	1.5%	3,248	2.4%	2,866	1.8%	2,921	1.8%	1/2	2,866
Payroll Expenses	27,191	15.0%	25,280	18.4%	29,034	18.6%	27,169	17.1%	2/1	27,191
Rent & Lease	13,078	7.2%	13,832	10.1%	23,276	14.9%	16,728	10.6%	1/2	13,832
Repairs & Maintenance	679	0.4%	329	0.2%	--	0.0%	336	0.2%	1/2	329
Taxes	--	0.0%	--	0.0%	--	0.0%	--	0.0%		--
Utilities	3,866	2.1%	2,920	2.1%	6,188	4.0%	4,325	2.7%	1/2	3,866
Total Expenses	**57,079**	**31.5%**	**55,011**	**40.0%**	**75,389**	**48.2%**	**62,493**	**39.4%**	**1/2**	**57,079**
Net Operating Income	**105,112**	**57.9%**	**70,528**	**51.3%**	**64,466**	**41.2%**	**80,035**	**50.5%**	**1/2**	**70,528**
Estimated Fees										
Royalties	12,702	7.0%	9,631	7.0%	10,941	7.0%	11,092	7.0%	1/2	10,941
Brand Fund	1,815	1.0%	1,376	1.0%	1,563	1.0%	1,585	1.0%	1/2	1,563
Total Estimated Fees	**14,517**	**8.0%**	**11,007**	**8.0%**	**12,505**	**8.0%**	**12,676**	**8.0%**	**1/2**	**12,505**
Net Income Adjusted, OO	**90,595**	**49.9%**	**59,521**	**43.3%**	**51,962**	**33.2%**	**67,359**	**42.5%**	**1/2**	**59,521**
Studio Manager Payroll Expenses	17,295	9.5%	12,672	9.2%	14,441	9.2%	8,882	5.6%	3/0	14,441
Net Income Adjusted, Investor	**73,300**	**40.4%**	**46,849**	**34.1%**	**37,520**	**24.0%**	**58,477**	**36.9%**	**1/2**	**46,849**

Explanatory Notes to ~~Table 4~~Tables 1 and 2

1. *Gross Sales* means all gross receipts, less tips and sales tax and represents the amount upon which will base your Royalty Fee, Local Advertising Requirement and Fund Contribution under your Franchise Agreement with us.
2. *COGS* means all variable cost inputs to facilitate customer sales, including equipment-related consumables, medical supplies and other usage-based costs.
3. *Gross Profit* means Gross Sales less COGS.
4. *Advertising and Marketing* means the actual local marketing expenditures of the location. Your requirements will include $12,000 of Presale Marketing and an annual Local Marketing Requirement of $2500 per month ($30,000 per year).
5. *Insurance* means the actual amounts expended on insurance in the operation of the Studio.
6. *Office Expenses* means general cleaning supplies/services, office supplies, postage, and software.
7. *Payroll Expenses* means all hourly and salaried labor excluding general managers, including based wages, payroll taxes, and benefits. This definition excludes the cost of multi-unit managers.
8. *Rent and Lease* means base rent and all related NNN (triple net) costs, including common area maintenance, insurance, and tax-related obligations under the Lease.
9. *Repairs and Maintenance* means all standard maintenance items, including HVAC maintenance, electrical maintenance, necessary repair items, and any equipment repairs.
10. *Taxes* means all taxes, including property taxes, incurred in the operation of the Studio.
11. *Utilities* means the following utility expenses electric, water, power, internet and phone.

12. *Net Income Adjusted, OO* means Gross Proft less all of the aforementioned expenses. This number excludes the costs associated with a general manager and intend to show the income of this studio the franchisee was an owner operator ("OO"). This data does not include or account for any other operating costs or expenses that are not specifically identified in this Explanatory Note.
13. *Net Income Adjusted, Investor* means *Net Income Adjusted, OO* less the costs associated with a general manager and intend to show the income of this studio the franchisee was an investor. This data does not include or account for any other operating costs or expenses that are not specifically identified in this Explanatory Note. Note, we further assume that your general manager will report directly to you. Our affiliate locations report into high level manager whose expenses are not disclosed given this role is not required or recommended.
14. *Estimated Royalties* (Calculated at 7% of *Gross Sales*) means the calculated estimated Royalty Fees a location would have been required to pay had it been a franchise operating pursuant to this Franchise Disclosure Document. These affiliate owned location will contributed to the Fund in the future.
15. *Estimated Brand Fund Contribution* (Calculated at 1% of Adjusted Gross Sales) means the calculated estimated Brand Fund expenditures a location would have been required to pay had it been a franchise operating pursuant to this Franchise Disclosure Document.

Tables 3 and 4 show the percentage breakdown of clients as between members and non-members as well as the average spend per month by client type. For the purposes of this disclosure Client Type means either a Member who pays a monthly recurring fee, or a Non-Member who pays for services on an a la carte basis. No locations that operated during the entire measurement period were excluded from this table.

Table 3: Breakdown of Revenue by Client Type

Client Type	Studio 1	Studio 2	Average/Median
Members	82%	74%	79%
Non-Members	18%	26%	21%
Total Revenue	100%	100%	100%

Table 4: Average Spend per Month by Client Type

	Studio 1	Studio 2	Average/Median
Members, average			
Number per month	294	227	261
Spend per month	$171	$131	$151
Non-Members, average			
Number per month	123	129	$126
Spend per month	$91	$82	$87

Table 5 contains information regarding membership sales for the most recently opened affiliate studio as of the date of this disclosure document ("Studio 4"). The affiliate studio opened December 7, 2024. For purposes of this table, a "Pre-Sale" means a membership that was sold prior to the studio opening.

Table 5: Total Memberships Pre-Sales and Total Memberships for Studio 4 One Month after Opening

	Pre-Sales as of 12/07/24	Memberships as of 12/31/24
Total	226	245

GENERAL NOTES TO ITEM 19

Characteristics of Affiliate Locations (disclosed consistent with 16 C.F.R. 436.5(s)(3)(ii)(F)).

Each of the Disclosed Affiliate Locations is located in Jacksonville, Florida or surrounding area, where our brand and concept have garnered goodwill and reputation over the years that these Affiliate Locations have been open and operating.

~~Most~~Studio 1 and Studio 2 of the Disclosed Affiliate Locations~~, other than the Recent Location,~~ were open for some time as of the commencement of the 2024~~2023~~ calendar year. As such, the profit and loss information disclosed for certain of the disclosed affiliate locations of this Item did not incur certain of the startup/initial costs that might be incurred when first opening a Studio given their more mature operations.

Except as specifically disclosed above in this Item, 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 Amanda Watts c/o Degree Wellness Franchise, LLC, in writing, at 106 E. Liberty Street, Suite 310, Ann Arbor, Michigan 48104, or by phone at (734) 619-0919, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For Years ~~2021~~2022 to 2024~~2023~~

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022~~2021~~	0	0	0
	~~2022~~2023	0	0	0
	2024~~2023~~	**0**	**0**	**0**
Company Owned	2022~~2021~~	2	2	0
	2023~~2022~~	2	2	0
	2024~~2023~~	**2**	**~~2~~4**	**~~0~~+2**
Total Outlets	2022~~2021~~	~~2~~0	~~2~~0	0
	2023~~2022~~	2	2	0
	2024~~2023~~	**2**	**~~2~~4**	**~~0~~+2**

Our Studio Franchisees

See Exhibit E for the name, address, and telephone number of each of our current and former Degree Wellness Studio franchisees.

The name, city, state and telephone number for each Studio Franchisee that was terminated, not renewed, canceled, voluntarily or involuntarily ceased to do business under the franchise agreement during the 2023 fiscal year, or who has not communicated to us within 10 weeks of the issuance date of this disclosure document, is set forth in Exhibit E. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

Table 2
Transfers of Outlet from Franchisees to New Owners (other than Franchisor)
For Years ~~2021~~2022 to 2024~~2023~~

State	Year	Number of Transfers
Total	2022~~2021~~	0
	2023~~2022~~	0
	2024~~2023~~	**0**

Table 3
Status of Franchised Outlets
For Years ~~2021 - 2023~~2022 to 2024

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~~ 2022	0	0	0	0	0	0	0
	~~2022~~ 2023	0	0	0	0	0	0	0
	2024 ~~2023~~	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4
Status of Company-Owned Outlets
For Years ~~2021~~2022 to ~~2023~~2024

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
~~All States~~Florida	~~2021~~2022	2	0	0	0	0	2
	2023~~2022~~	2	0	0	0	0	2
	~~2023~~2024	**2**	**~~0~~2**	**0**	**0**	**0**	**~~2~~4**
Total	~~2021~~2022	2	0	0	0	0	2
	~~2022~~2023	2	0	0	0	0	2
	~~2023~~2024	**2**	**~~0~~2**	**0**	**0**	**0**	**~~2~~4**

Table 5
Projected Openings
as of December 31, ~~2023~~2024

State	Franchise Agreements Signed but Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
~~MI~~AL	~~0~~1	1	0
~~FL~~AZ	~~0~~1	1	~~2~~0
FL	6	6	0
GA	2	2	0
IN	1	1	0
NC	2	1	0
NJ	1	1	0
NV	2	2	0
PA	2	2	0
TX	4	4	0
UT	1	1	0

Total	~~0~~23	~~2~~23	~~2~~0

The list of the names and addresses of our current franchisees is located in Exhibit E. Any franchisee who has not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Franchise Disclosure Document is listed in Exhibit G. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

None of our franchisee are subject to confidentiality provision that would limit their ability to speak with you. There are no franchisee organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this disclosure document. 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.

Item 21

FINANCIAL STATEMENTS

Attached to this Franchise Disclosure Document as Exhibit G are:

Degree Wellness Franchise, LLC's audited ~~opening~~ balance sheets as of ~~March~~December 31, 2024, and ~~unaudited balance sheet as~~the related statements of ~~March 15, 2024.~~income, retained earnings, and of cash flow for the years then ended. We have not been in business for three years or more and cannot include all the financial statements required by the Rule

Our fiscal year end is December 31. The Franchisor has not been in business for three years or more, and cannot include all financial statements required by the FTC Franchise Rule.

Item 22

CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit B	Franchise Agreement (including as exhibits an Owner's Guaranty and Assumption of Franchisee's Obligations, Agreement, and other documents)
Exhibit C	Development Agreement
Exhibit F	Sample Studio Management ~~Agreement~~Agreements or Staffing Agreements
Exhibit H	General Release Agreement
Exhibit I	Transfer Agreement
Exhibit J	Supplemental Agreements
Exhibit K	Multi-State Addenda and Agreement Riders

Item 23

RECEIPTS

Following Exhibit ~~F~~J are 2 blank originals of a detachable Receipt form to be signed by you. Please sign both originals. We will keep one signed original, and you will keep the other.

EXHIBIT A

STATE ADMINISTRATORS/AGENTS SERVICE OF PROCESS

Following is information about state agencies and administrators whom you may wish to contact with questions about Degree Wellness Franchise, LLC, or this Disclosure Document, as well as our agents for service of process.

LIST OF STATE ADMINISTRATORS

STATE	STATE ADMINISTRATOR
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (213) 576-7505 (866) 275-2677 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov
HAWAII	Commissioner of Securities of the State of Hawaii Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
ILLINOIS	Franchise Bureau Office of the Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465
INDIANA	Securities Commissioner Indiana Securities Division 302 West Washington St., Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
MARYLAND	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2021 (410) 576-6360
MICHIGAN	Department of Attorney General Consumer Protection Division Franchising Unit 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-1837
MINNESOTA	Minnesota Department of Commerce

STATE	STATE ADMINISTRATOR
	85 Seventh Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
NEW YORK	New York State Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, New York 10005 (212) 416-8222
NORTH DAKOTA	North Dakota Securities Department 600 East Blvd. Avenue State Capitol, Fifth Floor Dept. 414 Bismarck, North Dakota 5805 (701) 328-4712
RHODE ISLAND	Securities Division Department of Business Regulation 1511 Pontiac Avenue, Building 69-1 Cranston, Rhode Island 02920 (401) 462-9585
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, 2nd Floor Pierre SD57501 (605) 773-3563
TEXAS	Statutory Document Section Secretary of State P.O. Box 12887 Austin, Texas 78711
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street. 9th Floor Richmond, Virginia 23219 (804) 371-9051
WASHINGTON	Washington Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501 (360) 902-8760
WISCONSIN	Securities and Franchise Registration Wisconsin Securities Commission 345 West Washington Street, 4th Floor Madison, Wisconsin 53703 (608) 266-3364

Our agent for service of process in the State of Florida is:

Amanda Watts
200 Riverside Ave.
Jacksonville, FL 32202

We intend to register the franchises described in this Disclosure Document in some or all of the following states in accordance with applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

STATE	AGENT FOR SERVICE OF PROCESS
CALIFORNIA	Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013 (866) 275-2677 www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov
ILLINOIS	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706
INDIANA	Indiana Secretary of State 302 West Washington Street, Room E-111 Indianapolis, Indiana 46204
MICHIGAN	Michigan Department of Labor & Economic Growth Commercial Services & Corporations Bureau 611 West Ottawa Street Lansing, Michigan 48909
MARYLAND	Maryland Securities Commissioner Securities Division 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MINNESOTA	Minnesota Commissioner of Commerce 85 Seventh Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
NEW YORK	Secretary of State of the State of New York One Commerce Plaza 99 Washington Avenue Albany, New York 11231
RHODE ISLAND	Director of Business Regulation Division of Banking and Securities 233 Richmond Street, Suite 232 Providence, RI 02903-4232 (401) 222-3048

STATE	AGENT FOR SERVICE OF PROCESS
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 S. Euclid, 2nd Floor Pierre SD57501 (605) 773-3563
VIRGINIA	Clerk, State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 1st Floor Richmond, Virginia 23219
WASHINGTON	Washington Dept. of Financial Institutions Securities Division 150 Israel Rd SW Tumwater WA 98501
WISCONSIN	Wisconsin Commissioner of Securities 345 W. Washington Avenue, 4th Floor Madison, WI 53703

EXHIBIT B

FRANCHISE AGREEMENT

Degree Wellness Franchise, LLC
FRANCHISE AGREEMENT

NOTICE: This Agreement is subject to binding arbitration – see Section 17.9.

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DEGREE WELLNESS FRANCHISE, LLC

FRANCHISE AGREEMENT

This Franchise Agreement (this or the "Agreement") is being entered into and is effective as of the date of the last signature below (the "Agreement Date"). The parties to this Agreement are , a Delaware limited liability company ("we," "us,", or "Degree Wellness"); _____, as Franchise Owner ("you," "Franchise Owner," or "Franchisee"), and, if you are a partnership, corporation, or limited liability company, your "Principal Owners" (defined below).

1. INTRODUCTION.

1.1 **Style of Agreement; Common Terms.** This Agreement has been written in an informal style in order to make it more easily readable and to be sure that you become thoroughly familiar with all of the important rights and obligations the Agreement covers before you sign it. This Agreement includes several exhibits, all of which are legally binding and are an integral part of the complete Franchise Agreement. In this Agreement, we refer to as "we," "us," or the "Degree Wellness". We refer to you as "you," "Franchise Owner" or "Franchisee" and such terms include any person or entity that operates or has an interest in the Franchised Business (defined below). If you are a corporation, partnership or limited liability company, you will notice certain provisions that are applicable to those principal shareholders, partners or members on whose business skill, financial capability and personal character we are relying in entering into this Agreement. Those individuals will be referred to in this Agreement as "Principal Owners".

1.2 **The Franchise System.**

a. Through the expenditure of considerable time, effort and money, we and our affiliates have devised a system for the establishment and operation of a Degree Wellness business model that specializes in innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health and other related services and products (all of which we refer to in this Agreement as the "System"). The System includes procedures, specifications, techniques and procedures that we may designate for operating a wellness business. This business model includes a studio model offering all of our franchised services and products (individually, a "Studio" or "Studio," and collectively, the "Studios" or "Studios"). Subject to an additional fee, we also offer additional programs, products and services as more fully described herein, which additional programs, products and services may change from time to time. We identify the System by the use of certain trademarks, service marks and other commercial symbols, including the marks "Degree Wellness," and certain associated designs, artwork and logos, which we may change or add to from time to time (the "Marks").

b. From time to time we grant to persons who meet our qualifications, franchises to own and operate a Degree Wellness Studio in accordance with the System in a specified geographic territory. This

Agreement is being presented to you because of the desire you have expressed to obtain the right to develop, own, and be franchised to operate a Degree Wellness Studio (we refer to your Degree Wellness franchise hereinafter as the "Franchise" or the "Franchised Business").

c. In certain cases, where permitted by law, we may offer franchises to persons or legal entities that meet our qualifications but are not licensed to practice or provide health related care, and are willing to undertake the investment and effort to own and operate a business that will manage a Studio under the System; we refer to these businesses as "Studio Management Businesses." For example, certain states do not permit non-licensed persons to own and/or health care practices, but some states do. In states that do not permit non-licensed persons to own or operate businesses performing health care related services, a Studio Management Business may be offered. In states that do permit non-licensed persons to own and operate health care businesses, a Studio Management Business Franchise is not necessary, but may be offered by us under certain circumstances.

As further described below, to operate a Studio Management Business, you must enter into a Franchise Agreement with us and a Management Agreement with a "PC" that will own and operate the Studio. A "PC" will be one or more licensed individuals, or a professional corporation or similar entity, such as a professional limited liability company, that is duly authorized to provide health care services under local and state laws. In such an arrangement:

i) You, as franchisee, will construct or build-out the Studio for use by the PC.

ii) The Studio business will be operated by the PC using the Degree Wellness name and Marks.

iii) In addition to signing the Franchise Agreement with us, before you begin operating the Studio Management Business, you must enter into a management agreement ("Management Agreement") with the PC. If permitted by state and local law, the PC may be the same entity as your franchisee entity or have the same owners. Under the Management Agreement, you will provide the PC with management and administrative services and support consistent with the System to support the PC's health care business and its delivery of health care services and related services and products to patients at a Studio, consistent with all applicable laws and regulations. Our Franchise Disclosure Document contains a general form of Management Agreement as an exhibit that can serve as a starting point for satisfying this requirement, but the actual Management Agreement to be used must be approved by us, in our discretion, and must satisfy all requirements and limitations of applicable laws, rules and regulations of the state in which the Studio will be located.

iv) You must obtain our written approval of the final Management Agreement prior to signing it with the PC. We may provide you with assistance in preparing the Management Agreement, but you are responsible for determining whether such agreement is in

compliance with all applicable laws, rules and regulations of the state in which the Studio is located. You must have a Management Agreement in effect with a PC at all times during the operation of the Franchised Business and the Initial Term of this Agreement.

v) We must approve the PC and its owners, but you are responsible for ensuring that the PC is in compliance with all applicable laws, rules and regulations of the state in which the Studio is located.

vi) The PC will employ and control the personnel who will provide the health related services required to be delivered at and through the Studio. You may not provide any actual health care or any other professional services that require licensing or certification, nor will you supervise, direct, control or try to influence the exercise of professional and/or medical judgment, treatment protocols, employee decisions, advice, training, or relationships with patients, by the PC or any of its employees or agents.

vii) The Continuing Franchise Fee described in Section 6.2 may be different, and if different, will be reflected in a negotiated addendum to be signed at the same time this Agreement is signed.

1.3 **Due Diligence; No Other Representations**. **You acknowledge that you have received a complete copy of Franchisor's Franchise Disclosure Document at least 14 calendar days before you signed this Agreement or paid any consideration to Franchisor for your franchise rights.**

1.4 **Limit on Scope of System. Notwithstanding the development or implementation of the System, or any training, advice or instruction we may provide from time to time, we do not supervise, direct, control or try to influence any Franchise's: (a) exercise of professional and/or medical judgment, treatment protocols, employee decisions, advice, training, relationships with patients, or (b) relationships with its employees. Section 19 of this Agreement describes in more detail your responsibility to exercise your own professional judgment as to such matters.**

1.5 **Non-Uniform Agreements**. You acknowledge and agree that we have previously entered into franchise agreements with other franchisees, that we may in the future enter into franchise agreements with other franchisees, and that some or all of those franchise agreements may have terms substantially different from those in this Agreement. You also acknowledge and agree that we may, in our sole discretion and business judgment, waive or modify comparable provisions of any of those franchise agreements in a non-uniform manner, so long as we do so on a reasonably non-discriminatory basis.

2. **GRANT OF FRANCHISE**.

2. 1 **Term; Reference to Exhibit 1**. You have applied for a franchise to own and operate a Degree Wellness Studio, and we have approved your application in reliance on all of the representations you made in that application. As a result, and subject to the provisions of this Agreement, we grant to you

a Franchise to operate a Studio offering all products, services, and proprietary programs of ours in accordance with all elements of the System, that we may require for Degree Wellness Studios. You must operate the Franchise at a mutually agreeable site (the "Premises") to be identified after the signing of this Agreement, and to use the System and the Marks in the operation of that Franchise, for an "Initial Term" of 10 years. The Initial Term will begin on the Agreement Date, unless you are assuming the Franchise pursuant to a Transfer, in which case the length of the Initial Term shall be determined by the applicable Transfer Agreement. To avoid uncertainty, the expiration date of the Initial Term is listed on Exhibit 1. Termination or expiration of this Agreement will constitute a termination or expiration of your Franchise and the rights you received in connection with the Franchise, including your rights to use the Marks or any portion of the Confidential Information (defined below). All references to the "Term of this Agreement" refer to the period from the Agreement Date to the date on which this Agreement actually terminates or expires.

2.2 **Full Term Performance**. You specifically agree to be obligated to operate the Franchise, perform the obligations of this Agreement, and continuously exert your best efforts to promote and enhance the business of the Franchise for the entire Initial Term, and any subsequent renewal or extension of the Term of this Agreement.

2.3 **Protected Territory; Reference to Exhibit 1; Reservation of Rights**. You acknowledge that the Franchise granted by this Agreement gives you the right to operate your Franchise only at the Premises. Provided you are in full compliance with this Agreement, neither we nor our affiliates will operate or grant a franchise for the operation of another Studio franchise physically located within the territory described in Exhibit 1 (the "Protected Territory"). You and we will mutually designate your Protected Territory upon or after the signing of this Agreement and Exhibit 1 shall be deemed to be automatically updated and revised to reflect such designation or any mutually agreed upon changes to your Protected Territory. Except as otherwise provided in this Paragraph 2.3, we retain all rights with respect to Studio franchises, the Marks and the System, including (by way of example only and not as a limitation): (a) the right to operate or grant others the right to operate Studio franchises physically located outside the Protected Territory on terms and conditions we deem appropriate; (b) the right to operate or offer other healthcare-related companies or franchises or enter into other lines of business offering similar or dissimilar products or services under trademarks or service marks other than the Marks, both within or outside of the Protected Territory and to use other channels of distribution (for example, the internet, email, social media, telemarketing, or other direct marketing) in connection with such system(s) and/or location(s); (c) the right to sell or distribute, at retail or wholesale, directly or indirectly, or via the internet or any other means, or license others to sell or distribute, via any means (including the internet and other channels of distribution) any products that bear any proprietary marks, including the Marks, whether within or outside your Protected

Territory; (d) the right to own, acquire, establish, and/or operate, and license others to establish and operate, businesses different from a Franchised Business but operated under the Marks within or outside your Protected Territory, and to use other channels of distribution (for example, the internet, email, social media, telemarketing, or other direct marketing) in connection with such system(s) and/or location(s); and (e) the right to be acquired (whether though acquisition of assets, or equity interests or otherwise, regardless of the form of transaction) by a business or entity providing products and services similar to those provided by Franchised Businesses even if that business or entity operates, franchises, or licenses competitive businesses in your Protected Territory.

2.4 **Renewal of Franchise**.

a. **Franchise Owner's Right to Renew**. Subject to the provisions of subparagraph 2.4b below, and (i) if you have complied with all provisions of this Agreement and all other agreements between us, including the Operations Manual, as of the expiration of the Initial Term, and (ii) if you refurbish and decorate the Premises, replace fixtures, furnishings, wall decor, furniture, equipment, and signs, and otherwise modify the Franchise in compliance with specifications and standards then applicable under new or renewal franchises for Studio franchises, you will have the right to renew the Franchise for additional terms equal in length to the Initial Term.

i. At least 6 months before the expiration of the Franchise, we will notify you as to whether you appear eligible to renew the Franchise or, if applicable, we will provide you with a notice of deficiencies pursuant to subparagraph 2.4b below.

ii. If you appear to be eligible for renewal, we will ask you to provide us with notice of your intent to renew within a specific time period after receipt of our notice.

iii. If you give us timely notice of your desire to renew the Franchise, we will provide you with our then-current Franchise Disclosure Document and a timetable for the renewal process.

iv. Following an appropriate review period, and subject to your continued compliance with this Agreement and satisfaction of other terms of eligibility for renewal, you and we will enter into the documentation described in subparagraph 2.4c below.

b. **Notice of Deficiencies and Other Requirements**. At least 6 months before the expiration of the Franchise, we agree to give you written notice of any deficiencies in your operation or in the historical performance of the Franchise that could cause us not to renew the Franchise. If we will permit renewal, our notice will state what actions, if any, you must take to correct the deficiencies in your operation of the Franchise or of the Premises, and will specify the time period in which those deficiencies must be corrected or other requirements satisfied. Renewal of the Franchise will be conditioned on your continued compliance with all the terms and conditions of this Agreement up to the date of expiration, and not just on

those conditions set forth in our 6 month deficiency notice. If we send a notice of non-renewal, it will state the reasons for our refusal to renew.

c. **Renewal Agreement; Releases**. To renew the Franchise, Degree Wellness, you and your Principal Owners must execute the form of Franchise Agreement and any ancillary agreements we are then customarily using in the grant or renewal of franchises for the operation of Studio Franchises (with appropriate modifications to reflect the fact that the agreement relates to the grant of a renewal franchise), except that no initial franchise fee will be payable upon renewal of the Franchise. The terms of the Franchise Agreement that you must execute upon renewal, and any other agreements we may require, may differ materially from those contained in this Agreement, including the possibility of increased Continuing Franchise Fees and Fund contributions. Your right to renew will be contingent upon your acceptance of the new terms. You must pay to us a renewal fee equal to $10,000.00 concurrently with signing the renewal Franchise Agreement. You and your Principal Owners must also execute general releases, in a form satisfactory to us, of any and all claims against us and our affiliates, and our and their respective owners, officers, directors, employees, and agents.

3. DEVELOPMENT AND OPENING OF THE FRANCHISE

3.1 **Site Selection Area; Site Approval; Lease or Purchase of Premises**.

- You will use your best efforts to seek and select a proposed site for the Premises. The Premises must be location within the Site Selection Area identified in Exhibit 1. The Site Selection Area is non-exclusive and you have no territorial rights to it. A Premises that is acceptable to us as suitable for the operation of the Franchise must be identified and within 120 days of the date of this Agreement. We currently require the Premises to be a minimum of 1,~~700~~800 square feet in size. You must submit to us, in the form we specify, a description of the site and such other information or materials as we may reasonably require. We will not unreasonably withhold approval of a site that meets our standards for general location and neighborhood, size, traffic patterns, parking size, layout and other physical characteristics, for Studios. If you fail to identify a mutually agreeable site within the aforementioned 120 day period, we may terminate this Agreement. You may not relocate your Studio to a different site in your Protected Territory without our approval.

a. Once we have approved the proposed site of the Premises for your Franchise, you must obtain lawful possession of the Premises through lease or purchase within 180 days of the date of this Agreement. You agree that we may require you to obtain our advanced written approval of your lease's terms. The lease for the Premises must, if we require it, permit us to take possession of the Premises under certain conditions if this Agreement is terminated.

b. Our review and/or approval of your lease terms, or our failure to do so, shall not constitute, nor be deemed, a judgment or guaranty as to the likelihood of success of a Studio at such location, or as to

the relative desirability of such location in comparison to other locations within the Protected Territory, nor shall it be deemed to make us liable in any way under any such lease.

3.2 **Prototype and Construction Plans and Specifications**. We will furnish to you prototype plans and specifications for your Studio location, reflecting our requirements for design, decoration, branding, furnishings, furniture, layout, equipment, fixtures and signs for Studios, which may be in the form of actual plans for an existing or proposed Studio with which we are involved. Using an architect we designate or approve, it will be your responsibility to have the plans and specifications modified to comply with all ordinances, building codes, permit requirements, and lease requirements and restrictions applicable to the Premises. You must submit final construction plans and specifications to us for our approval before you begin construction at the Premises, and must construct the Franchise location in accordance with those approved plans and specifications. Our waiver or failure to strictly enforce any such requirements for plans, specifications, décor, etc. shall not constitute a waiver of any other term or provision of this Agreement or The failure by us to discharge any duty to you with respect to your office Premises.

3.3 **Development of the Franchise**

a. You agree at your own expense to do the following (i) within 12 months of the date of this Agreement, or (ii) if you sign this Agreement pursuant to the purchase of a Development Agreement, by the Opening Deadline defined in Exhibit 1:

(1) secure all financing required to fully develop the Franchise;

(2) obtain all required building, utility, sign, health, sanitation and business permits and licenses and any other required permits and licenses;

(3) construct the Franchise location according to the construction plans and specifications we have provided and/or approved;

(4) decorate the Franchise location in compliance with plans and specifications we have provided and/or approved;

(5) purchase and install all required equipment, furniture, furnishings and signs prior to commencing operations;

(6) cause all the training requirements of Section 4 to be completed prior to commencing operations;

(7) purchase an opening inventory of products and other supplies and materials prior to commencing operations;

(8) provide proof prior to commencing operations, in a form satisfactory to us, that your operation of the Franchise at the Franchise location does not violate any applicable state or local zoning or land use laws, ordinances, or regulations, or any restrictive covenants that apply to such location;

(9) provide proof prior to commencing operations, in a form satisfactory to us, that you (and/or your General Manager, as defined in Section 4.1, if any) are legally authorized and have all licenses necessary to perform all of the services to be offered by your Franchise, and that your organizational structure is consistent with all legal requirements;

(10) at all times after commencing operations, utilize all approved internal and external marketing programs for the Franchise;

(11) prior to commencing operations, obtain Degree Wellness stationery, envelopes, and business cards;

(12) acquire all required insurance policies as required under Section 10.8 below;

(13) do any other acts necessary to open and operate the Franchise in accordance with this Agreement (including, without limitation, becoming fully active on our designated billing system as required under Section 3.4 below);

(14) obtain our approval to open the Franchise for business; and

(15) open the Franchise for business.

For purposes of the following paragraph, you must achieve each of the foregoing requirements in this paragraph before your Studio is deemed to be "open."

b. If you do not open your Studio within 12 months, from the date of this Agreement, and you have obtained our approval to open the Franchise for business, we will have the right to charge you a $500.00 monthly fee. If you do not open your Studio within 15 months from the date of this Agreement, and you have obtained our approval to open the Franchise for business, we will have the right to charge you a $1,000.00 monthly fee. If you do not open your Studio within 18 months from the date of this Agreement, and you have obtained our approval to open the Franchise for business, we will have the right to charge you a $2,000.00 monthly fee. Nothing in this paragraph shall prohibit us from exercising our rights and remedies under Section 15 or any other provision of this Agreement.

3.4 **Computer System**.

a. **General Requirements**. You agree to use in the development and operation of the Franchise the computer hardware/billing systems and operating software ("Computer System") that we specify from time to time. You acknowledge that we may modify such specifications and the components of the Computer System from time to time. As part of the Computer System, we may require you to obtain specified computer hardware and/or software, including without limitation a license to use proprietary software developed by us or others. Our modification of such specifications for the components of the Computer System may require you to incur costs to purchase, lease and/or obtain by license new or modified computer hardware and/or software, and to obtain service and support for the Computer System during the Term of this Agreement. You

acknowledge that we cannot estimate the future costs of the Computer System (or additions or modifications thereto), and that the cost to you of obtaining the Computer System (or additions or modifications thereto), including software, may not be fully amortizable over the remaining Term of this Agreement. Nonetheless, you agree to incur such costs in connection with obtaining the computer hardware and software comprising the Computer System (or additions or modifications thereto). Within sixty (60) days after you receive notice from us, you agree to obtain the components of the Computer System that we designate and require from time to time. You further acknowledge and agree that we and our affiliates have the right to charge a reasonable systems fee for software or systems installation services; modifications and enhancements specifically made for us or our affiliates that are licensed to you; and other maintenance and support Computer System-related services that we or our affiliates furnish to you. You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained, and upgraded.

b. **Software**. We may, at any time and from time to time, contract with one or more software providers, business service providers, or other third parties (individually, a "Service Provider") to develop, license, or otherwise provide to or for the use and benefit of you and other Degree Wellness Franchises certain software, software applications, and software maintenance and support services related to the Computer System that you must or may use in accordance with our instructions with respect to your Computer System. Any such agreement between us and a Service Provider (a "Master Service Agreement") may, but need not, address such matters as the types of products and services to be provided (or not to be provided) to you or for your benefit as a Degree Wellness Franchise, the manner and timing in which such products and services may be provided, software licensing issues and restrictions, the permitted or non-permitted uses of any product or service provided under the Master Service Agreement, and the provision and pricing of supplemental products or services available from or through the Service Provider. You acknowledge and agree that we may reasonably require you to sign a support or service agreement with us or a third party Service Provider setting forth, among other things, requirements relating to the installation of any such products or services, licensure of and/or the manner in which you may use any such products or services, payments and taxes, liability and indemnification of us and/or the Service Provider, confidential information and proprietary rights, suspension or termination of products or services provided thereunder, assignment of rights and delegation of duties thereunder, governing law and jurisdiction, pricing, and supplemental products and services available to or for

the benefit of Degree Wellness Studio Franchises (a "Service Agreement") that we may deem appropriate, and shall sign any such Service Agreement upon the earlier of signing this Agreement or promptly after receiving notice from us about our requirement for your to sign the Service Agreement. [The terms and conditions of any such Service Agreement are hereby incorporated herein by reference (the "Additional Terms and Conditions"). A copy of any such Service Agreement shall be attached to this Agreement as Exhibit 4.]

c. Your full implementation of our computer system and software requirements, including our designated billing system, is a crucial part of your Studio's start-up and operation, and you and we agree that the Computer System requirements are a top priority. Accordingly, if you do not fully implement our designated Computer System, including required software (called "going live") within acceptable timeframes, you will be required to pay additional fees to us, as follows:

- If you have not "gone live" within two (2) months after the conclusion of your initial training program, you will be required to pay a fee of $500.00 per month for each month thereafter, due and payable on the first (1st) day of each calendar month in such period with no pro-rations for partial months; and
- If you have not "gone live" within six (6) months, the fee will be increased to $1,000.00 per month commencing within the sixth (6th) month after the conclusion of the initial training program.

Nothing in this paragraph shall prohibit us from exercising our rights and remedies under Section 15 or any other provision of this Agreement.

- Degree Wellness also requires you to maintain a dedicated high-speed internet service or connection or other communication means for remote access and information retrieval by us, as we may specify from time to time in the Operations Manual or otherwise in writing.

e. We are not responsible or liable for any actual, alleged, or perceived defects or deficiencies in the Computer System, any components thereof, Service Provider(s), or any required third-party software, or the performance of any of the forgoing.

3.5 **Equipment, Furniture, Fixtures, Furnishings and Signs**. You agree to use in the development and operation of the Franchise only those brands, types, and/or models of equipment, furniture, fixtures, furnishings, and signs we have approved.

3.6 **Franchise Opening**. You agree not to open the Franchise for business until: (1) all of your obligations under Paragraphs 3.1 through 3.4 of this Section have been fulfilled (including, without

limitation, becoming fully active on our designated billing system); (2) we determine that the Franchise has been properly constructed, decorated, furnished, equipped, and stocked with materials and supplies in accordance with plans and specifications we have provided or approved; (3) you and any of your Franchise's employees whom we require complete our pre-opening Initial Training (as defined herein) to our satisfaction; (4) the Initial Franchise Fee (as defined herein) and all other amounts due to us have been paid, or payment thereof has been provided for to our satisfaction (in our sole discretion); (5) you have furnished us with copies of all insurance policies required by Paragraph 10.8 of this Agreement, or have provided us with appropriate alternative evidence of insurance coverage and payment of premiums as we have requested; and (6) we have approved any marketing, advertising, and promotional materials you desire to use, as provided in Paragraph 11.2 of this Agreement.

4. TRAINING.

4.1 **General Manager**. At your request, we may, but are not obligated to, agree for you to employ a general manager to operate the Franchise ("General Manager"). The term "General Manager" means an individual with primary day-to-day responsibility for the Franchise's operations, and may or may not be you (if you are an individual) or a Principal Owner, officer, director, or employee of yours (if you are other than an individual). We may or may not require that the General Manager have an equity interest in the Franchise. The General Manager will be obligated to devote his or her full time, best efforts, and constant personal attention to the Franchise's operations, and must have full authority from you to implement the System at the Franchise. You must not hire any General Manager or successor General Manager without first receiving our written approval of such General Manager's qualifications. Each General Manager and successor General Manager must attend and complete our Initial Training (as defined herein) prior to commencing the role of General Manager. No General Manager may have any interest in or business relationship with any business competitor of your franchise. Each General Manager must sign a written agreement, in a form approved by us, to maintain confidential our Confidential Information described in Paragraph 9.1, to abide by non-solicitation and non-disparagement covenants, and to abide by the covenants not to compete described in Paragraph 9.3. We can provide a form for this required written agreement, however, our form is subject to review by your attorney for compliance with all local laws and rules. You must forward to us a copy of each such signed agreement. If we determine, in our sole discretion, during or following completion of the Initial Training program, that your General Manager (if any) is not qualified to act as General Manager of the Franchise, then we have the right to require you to choose (and obtain our approval of) a new individual for that position.

4.2 **Training**. You acknowledge that it is very important to the operation of the Franchise that you and your employees receive appropriate training. To that end, you agree as follows:

a. At least 30 days before the Franchise opens for business, you and your staff that we designate must attend our initial training program for your Franchise (the "Initial Training") at the time and place we designate. The Initial Training which consists of two distinct types of training: business-related training and technical service-related training. You (if you are an individual), the Principal Owners (if you are a legal entity), your General Manager (if any) must complete this initial training program to our satisfaction.

The business-related portion of the Initial Training ("Business Training") will take place at a location and time that Franchisor designates, and only after you have executed a lease for the Franchised Business, provided, however, that Franchisor reserves the right to delay this portion of the Initial Training program until such time as you have completed all pre-initial training items set forth in the Manuals.

Up to two individuals may attend the "Business Training" portion of the Initial Training program without additional charge. If the Principal Owner is not the General Manager, both the Principal Owner and the General Manager must attend the Business Training. If the General Manager is also the Principal Owner, then one other employee may attend without charge. At your request, Franchisor may permit additional individuals to attend the Business Training, subject to space availability and payment of Franchisor's then-current tuition. You are responsible for all costs and expenses of complying with Franchisor's Business Training requirements including, without limitation, tuition and registration costs, and salary, travel, lodging, and dining costs for all of your employees who participate in and attend the Business Training".

The Initial Training currently includes classroom, online self-directed instruction, and in-studio Franchise operation training. Our business-related initial training program will be held at a classroom facility that we designate in the ~~Ann Arbor, Michigan~~Jacksonville, Florida area, although we reserve the right to designate another training facility. In-studio training will be completed at your studio location.

If we, in our sole discretion, determine that any General Manager or employee is unable to satisfactorily complete such Initial Training program, then you must not hire that person, and must hire a substitute General Manager or employee (as the case may be), who must enroll in the Initial Training program within 15 days thereafter, and complete the Initial Training to our satisfaction.

b. You agree to have your General Manager (if any) attend our Initial Training complete additional training programs at places and times as we may request from time to time during the Term of this Agreement.

c. You agree to pay all wages and compensation owed to all of your personnel who attend our Initial Training and/or any mandatory or optional training we provide. You additionally

agree to pay all travel, lodging, meal, transportation, and personal expenses incurred by all your personnel who attend any mandatory or optional training we provide.

d. The Franchise's General Manager (if any) and other employees shall obtain all certifications and licenses required by law in order to perform their responsibilities and duties for the Franchise.

4.3 **Additional Training.** In addition to providing the Initial Training described above, we reserve the right to offer and hold such additional ongoing training programs and franchise owners meetings regarding such topics and at such times and locations as we may deem necessary or appropriate. We also reserve the right to make any of these training programs mandatory for you and/or designated owners, General Managers, employees, and/or representatives of yours. We may charge a reasonable tuition for these additional courses, seminars, or other training programs, and you agree to pay such tuition. Additionally you are responsible for all training-related costs and expenses including, without limitation, salary, travel, lodging, and dining costs for all of your employees who participate in the training. If we come to you for additional onsite training, you agree to pay our per reasonable tuition fee for such assistance as well as our related travel, lodging, and dining costs.

4.4 **Annual Conference.** You or your representative are required to attend, no more than annually, any designated conference or annual training meeting ("Convention"). You will pay the then-current enrollment fee. If you fail to attend the Convention you will be assessed $1,000 non-attendance penalty fee. This fee shall be automatically withdrawn by electronic funds transfer.

5. GUIDANCE; OPERATIONS MANUAL.

5.1 **Guidance and Assistance**. During the Term of this Agreement, we may from time to time furnish you guidance and assistance with respect to: (a) specifications, standards, programs and operating procedures used by Studio franchises; (b) purchasing approved equipment, furniture, furnishings, signs, materials, supplies and services; (c) development and implementation of local advertising and promotional programs; (d) general operating and management procedures; (e) establishing and conducting employee training programs for your Franchise; and (f) changes in any of the above that occur from time to time. This guidance and assistance may, in our discretion, be furnished in the form of bulletins, written reports and recommendations, operations manuals, video and audio files and other written materials, whether delivered to you directly or made available through internet, website, email or other remote means (the "Operations Manual"), and/or telephone consultations and/or personal consultations at our offices or your Franchise. If you request—and if we agree to provide—any additional, special on-premises training of your personnel or other assistance in operating your Franchise, then you agree to pay a daily training fee in an amount to be set by us, and all expenses we incur in providing such training or assistance, including any

wages or compensation owed to, and travel, lodging, transportation, and living expenses incurred by, our personnel.

5.2 **Operations Manual**. The Operations Manual we lend to you will contain mandatory and suggested specifications, programs, standards, and operating and management procedures that we prescribe from time to time for your Franchise, as well as information relative to other obligations you have in the operation of the Franchise. The Operations Manual may be composed of or include writings, drawings, photos, audio recordings, video recordings, and/or other written or intangible materials. We may make all or part of the Manual available to you through various means, including the internet. All or any portion of a previously available Operations Manual may be superseded from time to time with replacement materials to reflect changes in the specifications, standards, programs, operating procedures and other obligations in operating the Franchise. You agree that you will monitor and access the Website (hereinafter defined), intranet, or extranet for any updates to the Operations Manual. Any password or other digital identification necessary to access the Operations Manual on a Website, intranet, or extranet will be deemed to be Confidential Information belonging to Degree Wellness, subject to Article 9 of this Agreement. You must keep your copy of the Operations Manual current, and if you and we have a dispute over the contents of the Manual, then our master copy of the Manual will control.

You agree that you will not at any time copy any part of the Operations Manual, permit it to be copied, disclose it to anyone not having a need to know its contents for purposes of operating your Franchise, or remove it from the Franchise location without our permission. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, then you must obtain a replacement copy for us at our then-applicable charge.

Notwithstanding the forgoing, you shall be responsible for the day-to-day operation of the Franchised Business. While the Operations Manual sets forth our standards for the Franchise, the procedures utilized to implement those standards rest with the Franchisee.

5.3 **Modifications to System**. We will continually be reviewing and analyzing developments relative to the System, and based upon our evaluation of this information, may make changes in the System, including but not limited to adding new components to services and products offered and equipment used by Studio franchises. Moreover, changes in, or interpretations of, laws regulating the services offered by Degree Wellness franchises may (a) require us to restructure our franchise program, (b) require your General Manager (if any) and employees to obtain additional licenses or certifications, (c) require you to retain or establish relationships with additional professionals and/or healthcare industries, and/or (d) require you to modify your ownership or organizational structure. You agree, at our request, to modify the operation of the Franchise to comply with all such changes, and to be solely responsible for all related costs.

5.4 **Advisory Councils**. You agree to participate in, and, if required, become a member of any advisory councils or similar organizations we form or organize for Studio franchises. We will select the advisory council's members, and we may change or dissolve the advisory council at any time. We anticipate that an advisory council would serve in an advisory capacity, but may grant to the advisory council any operational or decision-making powers that we deem appropriate. We, or one of more of our affiliated companies or persons, may also offer separate, optional, advisory councils or groups that may have additional costs to you should you decide to participate.

6. FEES.

6.1 **Initial Franchise Fee**. You agree to pay us the initial franchise fee (the "Initial Franchise Fee") set forth below when you sign this Agreement. In recognition of the expenses we incur in furnishing assistance and services to you, you agree that we will have fully earned the Initial Franchise Fee, and that is due and non-refundable when you sign this Agreement.

a. Your Initial Franchise Fee is $49,500.00. Notwithstanding the previous sentence, if Exhibit 1 states that you are signing this Agreement pursuant to your purchase of a development agreement, then your Development Fee paid pursuant thereto shall be in full satisfaction of this Agreement.

b. Any deposits previously paid by you will be credited against the Initial Franchise Fee due hereunder.

6.2 **Continuing Franchise Fee**. You agree to pay us a continuing franchise fee ("Continuing Franchise Fee") equal to seven percent (7%) of the gross revenues (defined below) of the Franchise. The Continuing Franchise Fee will be payable monthly on the day of the month we specify based on the Franchise's gross revenues for the preceding month. The term "gross revenues" shall, for purposes of this Agreement, mean the total of all revenue and receipts derived from the operation of the Franchise, including all amounts received at or away from the site of the Franchise, or through the business the Franchise conducts (such as fees for the sale of any service or product, gift certificate sales, and revenue derived from products sales, whether in cash or by check, credit card, debit card, barter or exchange, or other credit transactions, without reserve or deduction for inability or failure to collect); and excludes only sales taxes collected from customers and paid to the appropriate taxing authority, and any customer refunds and credits the Franchise actually makes. You and we acknowledge and agree that the Continuing Franchise Fee represents compensation paid by you to us for the guidance and assistance we provide and for the use of our Marks, Confidential Information, know-how, access to proprietary software and business systems, and other intellectual property we allow you to use under the terms of this Agreement (including, without limitation, copyrighted and proprietary forms and materials). The Continuing Franchise Fee does not represent payment for the referral of customers or patients to you, and you acknowledge and agree that the

services we offer to you and our other Degree Wellness franchisees do not include the referral of customers or patients.

6.3 **Brand Fund; Other Fees**.

a. Recognizing the value of advertising and branding to the goodwill and public image of Studio franchises, we will establish, maintain and administer an advertising fund (the "Fund") for such brand development as we may deem necessary or appropriate in our sole discretion. You agree to contribute to the Fund in the amount of one percent (1%) of the gross revenues of the Franchise. We will provide you with 60 days' advance notice of the establishment or termination of the Fund and any change in the required contribution. These contributions will be payable weekly with and at the same time as your Continuing Franchise Fees payable under Paragraph 6.2 above. At no time during the term of this Agreement will your contribution to the Fund exceed 2% of gross revenue. A further description of the Fund and your obligations with respect to advertising and promoting the Franchise is found in Section 11 of this Agreement.

b. In the future, we may also establish a program to provide additional marketing services to Studio franchises involving the placement of clients on a local basis to perform marketing activities. This program would be required for all Studio franchises. You agree to pay the reasonable fee as determined by us. We reserve the right to change the amount of this fee at any time. If we choose to establish this program in the future, you agree to comply with all specifications and requirements contained in the Operations Manual concerning this program. This fee does not represent payment for the referral of customers or clients to you, and you acknowledge and agree that the services we offer to you and our other Degree Wellness franchisees do not include the referral of customers or clients.

6.4 **Technology Fee.** You are required to pay the monthly Technology Fee, defined and discussed in Section 11.4, for certain Website and technology-related services and expenses and any fees relating to the required human resources and payroll services discussed in Section 10.7.

6.5 **Fees Relating to Optional Programs.** We, or our affiliates, may offer additional optional services, products or programs in connection with your Studio Franchise, subject to an additional fee paid to us or third-parties.

6.6 **Interest on Late Payments**. All Continuing Franchise Fees, Fund contributions, amounts due from you for purchases from us or our affiliates, and other amounts which you owe us or our affiliates (unless otherwise provided for in a separate agreement between us or our affiliates) will begin to accrue interest after their respective due dates at the lesser of (i) the highest commercial contract interest rate permitted by state law, and (ii) the rate of fifteen percent (15%) per annum. You acknowledge that the inclusion of this Paragraph in this Agreement does not mean we agree to accept or condone late payments, nor does it indicate that we have any intention to extend credit to, or otherwise finance your purchase or

operation of the Franchise. We have the right to require that any payments due us or our affiliates be made by certified or cashier's check, wire transfer or electronic funds transfer in the event that any payment by check is not honored by the bank upon which the check is drawn. We also receive the right to charge you a fee of $100 for any payment by check that is not honored by the bank upon which it is drawn. Payments due us or our affiliates will not be deemed received until such time as funds from the deposit of any check by us or our affiliates is collected from your account.

6.7 **Electronic Funds Transfer**. We have the right to require you to participate in an electronic funds transfer program under which Continuing Franchise Fees, Fund contributions, and any other amounts payable to us or our affiliates are deducted or paid electronically from your bank account (the "Account"). In the event you are required to authorize us to initiate debit entries, you agree to sign all requested forms (including the ACH Agreement attached to this Agreement as Exhibit 5) and make the funds available in the Account for withdrawal by electronic transfer no later than the payment due date. The amount actually transferred from the Account to pay Continuing Franchise Fees and Fund contributions will be based on the Franchise's gross revenues reported to us. If you have not reported the Franchise's gross revenues for any reporting period, then we will be authorized to debit the Account in an amount equal to 120% of the Continuing Franchise Fee, Fund contribution, and other amounts transferred from the Account for the last reporting period for which a report of the Franchise's gross revenues was provided to us. If at any time we determine that you have under-reported the Franchise's gross revenues or underpaid any Continuing Franchise Fee or Fund contribution due us under this Agreement, then we will be authorized to initiate immediately a debit to the Account in the appropriate amount, plus applicable interest, in accordance with the foregoing procedure. Any overpayment will be credited, without interest, against the Continuing Franchise Fee, Fund contribution, and other amounts we otherwise would debit from your account during the following reporting period. Our use of electronic funds transfers as a method of collecting Continuing Franchise Fees and Fund contributions due us does not constitute a waiver of any of your obligations to provide us with monthly reports as provided in Section 12, nor shall it be deemed a waiver of any of the rights and remedies available to us under this Agreement.

6.8 **Application of Payments; No Set-Off**. When we receive a payment from you, we have the right in our sole discretion to apply it as we see fit to any past due indebtedness of yours due to us or our affiliates, whether for Continuing Franchise Fees, Fund contributions, purchases, interest, or for any other reason, regardless of how you may designate a particular payment should be applied. You may not, on grounds of alleged non-performance by Degree Wellness of its obligations under this Agreement, withhold payment of Continuing Franchise Fees and/or any other amounts due to Degree Wellness and/or its related parties or affiliates.

6.9 **Modification of Payments**. If, by operation of law or otherwise, any fees contemplated by this Agreement cannot be based upon gross revenues, then you and we agree to negotiate in good faith an alternative fee arrangement. If you and we are unable to reach an agreement on an alternative fee arrangement, then Degree Wellness reserves the right to terminate this Agreement upon notice to you, in which case all of the post-termination obligations set forth in Section 16 shall apply.

7. MARKS; COPYRIGHTED WORKS.

7.1 Ownership and Goodwill of Marks

a. You acknowledge that your right to use the Marks is derived solely from this Agreement, and is limited to your operation of the Franchise pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures we prescribe from time to time during the Term of this Agreement, including, without limitation, timely payment of the Initial Franchise Fee, Continuing Franchise Fees, Fund contributions, and all other sums due to us.

b. You understand and acknowledge that our right to regulate the use of the Marks includes, without limitation, any use of the Marks in any form of electronic media, such as Websites or web pages, or as a domain name or electronic media identifier.

c. If you make any unauthorized use of the Marks either during or after the Term of this Agreement, it will constitute a breach of this Agreement and an infringement of our rights in and to the Marks.

d. You acknowledge and agree that all your usage of the Marks and any goodwill established by your use will inure exclusively to our benefit and the benefit of our affiliates, and that this Agreement does not confer any goodwill or other interests in the Marks on you (other than the right to operate the Franchise in compliance with this Agreement).

e. All provisions of this Agreement applicable to the Marks will apply to any additional trademarks, service marks, commercial symbols, designs, artwork, or logos we may authorize and/or license you to use during the Term of this Agreement.

f. Degree Wellness has invested substantial time, energy, and money in the promotion and protection of its Marks as they exist on the date of this Agreement. However, rights in intangible property such as the Marks are often difficult to establish and defend. In addition, other circumstances, such as changes in the cultural and economic environment within which the System operates, changes in marketing or other strategies, or third-party challenges to Degree Wellness's rights in the Marks, may make changes in the Marks desirable or necessary. Degree Wellness therefore reserves the right to change its Marks and the specifications for each when we believe that such changes will benefit the System. You will promptly conform at your own expense, to any such changes. Degree Wellness need not reimburse you for any loss

of revenue due to any modified or discontinued Mark or for your expenses in changing to, or promoting, a modified or substitute trademark or service mark.

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

7.3 **Notification of Infringements and Claims**. You agree to immediately notify us in writing of any apparent infringement of, or challenge to your use of, any Mark or claim by any person of any rights in any Mark or similar trade name, trademark, or service mark of which you become aware. You agree not to communicate with anyone except us and our counsel in connection with any such infringement, challenge, or claim. We have the right to exclusively control any litigation or other proceeding arising out of any actual or alleged infringement, challenge, or claim relating to any Mark. You agree to sign any documents, render any assistance, and do any acts that our attorneys say is necessary or advisable in order to protect and maintain our interests in any litigation or proceeding related to the Marks, or to otherwise protect and maintain our interests in the Marks.

7.4 **Discontinuance of Use of Marks**. If it becomes advisable at any time in our sole judgment for the Franchise to modify or discontinue the use of any Mark, or use one or more additional or substitute trade or service marks, including the Marks used as the name of the Franchise, then you agree, at your sole expense, to comply with our directions to modify or otherwise discontinue the use of the Mark, or use one or more additional or substitute trade or service marks, within a reasonable time after our notice to you.

7.5 **Indemnification of Franchise Owner**. We agree to indemnify you against, and reimburse you for, all damages for which you are held liable in any trademark infringement proceeding arising out of your use of any Mark pursuant to and in compliance with this Agreement, and for all costs you reasonably incur in the defense of any such claim in which you are named as a party, so long as you have timely notified

us of the claim, provided us with the opportunity to defend the claim, cooperated with the defense of the claim, and otherwise complied with this Agreement.

7.6 **Copyrighted Works; Ownership**.

a. We hereby authorize you to use in the operation of the Franchised Business those certain copyrighted or copyrightable materials which are from time to time owned by us or our affiliates and which we approve and license for use in the operation of the Franchised Business. These copyrighted or copyrightable materials include, but are not limited to, the Operations Manual, training materials, advertising and promotional materials, and other portions of the System, and any translations or paraphrasing of any of the forgoing (collectively, the "Copyrighted Works"). You acknowledge and agree that we or our affiliates own the Copyrighted Works and we may (at our option) further create, acquire, or obtain licenses for certain copyrights in various works of authorship used in connection with the operation of the Franchised Business, the System, and the Studios, all of which shall be deemed to be Copyrighted Works under this Agreement and owned by us or our affiliates. You acknowledge that your right to use the Copyrighted Works is derived solely from this Agreement and is limited to your operation of the Franchise pursuant to and in compliance with this Agreement and all applicable standards, specifications, and operating procedures we prescribe from time to time during the Term of this Agreement, including, without limitation, timely payment of the Initial Franchise Fee, Continuing Franchise Fees, Fund contributions, and all other sums due to us.

b. This Agreement does not confer any interest in the Copyrighted Works to you, other than the right to use them in the operation of the Franchised Business in compliance with this Agreement and the System. If we authorize you to prepare any adaptation, translation or work derived from the Copyrighted Works, or if you prepare any Copyrighted Works such as advertisements, manuals, posters, forms, or marketing or promotional material (all of which shall be subject to and in compliance with this Agreement), you agree that such adaptation, translation, derivative work, or Copyrighted Work shall be the sole and exclusive property of us and you hereby assign all your right, title, and interest therein to us. You further agree to execute any documents that we determine are necessary to reflect such ownership and to submit all such adaptations, translations, derivative works and Copyrighted Works to us for prior written approval before use.

c. If you make any unauthorized use of the Copyrighted Works either during or after the Term of this Agreement, it will constitute a breach of this Agreement and an infringement of our rights in and to the Copyrighted Works.

7.7 **Discontinued Use of Copyrighted Works**. If we believe at any time that it is advisable for you or us to modify, discontinue using, and/or replace any of the Copyrighted Works, you agree to comply with our directions within a reasonable time after receiving notice, including using one or more

additional or substituted copyrighted or copyrightable items. We shall have no obligation to reimburse you for any expenditures made by you to modify or discontinue the use of any Copyrighted Work or to adopt additional or substitute copyrighted or copyrightable items.

8. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION.

8.1 **Independent Contractor; No Fiduciary Relationship**. Both you and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are independent contractors, and that nothing in this Agreement is intended to make either party a general or special agent, joint venturer, partner, or employee of the other for any purpose whatsoever. In no event shall we be deemed to be an employer of any of your employees, representatives or agents. You agree to conspicuously identify yourself in all your dealings with customers, patients, suppliers, public officials, Franchise personnel, and others as the owner of an independent Franchise pursuant to a Franchise Agreement with us, and to place any other notices of independent ownership on your forms, business cards, stationery, advertising, and other materials as we may require from time to time.

8.2 **No Liability, No Warranties**. We have not authorized or empowered you to use the Marks except as provided by this Agreement, and you agree not to employ any of the Marks in signing any contract, check, purchase agreement, negotiable instrument or legal obligation, application for any license or permit, or in a manner that may result in liability to us for any indebtedness or obligation of yours. Except as expressly authorized by this Agreement, neither you nor we will make any express or implied agreements, warranties, guarantees or representations, or incur any debt, in the name of or on behalf of the other, or represent that your and our relationship is other than that of franchisor and franchisee.

8.3 **Responsibility for Acts and Omissions; Indemnification**.

a. You acknowledge that you are the sole and independent owner of your Franchised Business, you are and will be in full control thereof, and you will conduct the business solely in accordance with your own judgment and discretion, subject only to the provisions of this Agreement. As indicated in Section 8.1, you must conspicuously identify yourself, internally and to third parties, as the independent owner of the Franchised Business and as a franchisee of Degree Wellness, and neither you nor any of your employees should represent to any third parties that you are employees or agents of Degree Wellness. You agree that as between you and us, you are solely responsible for the effects, outcomes and consequences of your acts and omissions and the acts and omissions of your employees, representatives and agents in connection with or relating to the operation of your Franchised Business.

b. We will not assume any liability or be deemed liable for any agreements, representations, or warranties you make that are not expressly authorized under this Agreement, nor will we be obligated for any damages to any person or property directly or indirectly arising out

of the operation of the business you conduct pursuant to this Agreement, whether or not caused by your negligent or willful action or failure to act or acts or omissions deemed to be professional malpractice.

c. We will have no liability for any sales, use, excise, income, gross receipts, property, or other taxes levied against you or your assets, or on us, in connection with the business you conduct, or any payments you make to us pursuant to this Agreement (except for our own income taxes).

d. You agree to defend, indemnify and hold harmless us, our affiliates and our and their respective owners, directors, officers, employees, agents, successors, and assigns (individually, an "Indemnified Party," and collectively, the "Indemnified Parties"), from and against any and all claims, lawsuits, demands, actions, causes of action or other events, whether asserted by third parties or us, and for all costs and expenses incurred by the Indemnified Party in connection therewith, including without limitation actual and consequential damages reasonable attorneys', accountants', and/or expert witness fees cost of investigation and proof of facts court costs, other litigation expenses and travel and living expenses, to the extent caused by, relating to or otherwise arising out of (1) the effects, outcomes and consequences of your acts and omissions and the acts and omissions of your employees, representatives and agents in connection with or relating to the operation of your Franchised Business, (2) any agreements, representations, or warranties you make to third parties that are not expressly authorized under this Agreement, (3) any damages to any person or property directly or indirectly arising out of the operation of your Franchised Business, whether or not caused by your negligent or willful action or failure to act or acts or omissions deemed to be professional malpractice, (4) any sales, use, excise, income, gross receipts, property, or other taxes levied against you or your assets, or on us, in connection with the business you conduct, or any payments you make to us pursuant to this Agreement (except for our own income taxes), (5) our actions taken relating to the enforcement of this Agreement, and/or (6) your breach of any provision of this Agreement.

e. The allocation of responsibility and your indemnification obligations described above will continue in full force and effect after, and notwithstanding, the expiration, renewal or termination of this Agreement.

9. <u>CONFIDENTIAL INFORMATION; NON-COMPETITION; OTHER COVENANTS</u>.

9.1 **<u>Types of Confidential Information</u>**. We possess certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, services and knowledge developed by us, including but not limited to: (a) services and products offered and sold at Degree Wellness franchises; (b) knowledge of sales and profit performance

of any one or more Degree Wellness franchises; (c) knowledge of sources of products sold at Degree Wellness franchises, (d) advertising and promotional programs and image and decor; (e) methods, techniques, formats, specifications, procedures, information, systems, and knowledge of, and experience in, the development, operation, and franchising of Degree Wellness franchises; (f) copyrighted materials, including, without limitation, office forms and procedures, marketing materials, telephone scripts and the content of the Operations Manual; and (g) the methods of training employees. We will disclose much of the above-described information to you in advising you about site selection, providing our Initial Training, providing access to the Operations Manual, and providing guidance and assistance to you under this Agreement. In addition, in the course of the operation of your Franchise, you or your employees may develop ideas, concepts, methods, or techniques of improvement relating to the Franchise that you agree to disclose to us, and that we may then authorize you to use in the operation of your Franchise, and may use or authorize others to use in other Degree Wellness franchises owned or franchised by us or our affiliates. (All of such information disclosed to or developed by you will be referred to in this Agreement as our "Confidential Information".)

9.2 **Non-Disclosure Agreement**.

a. You agree that your relationship with us does not vest in you any interest in the Confidential Information, other than the right to use it solely in the development and operation of the Franchise during the Term of this Agreement, and that the use or duplication of the Confidential Information in any other business or for any other purpose would constitute an unfair method of competition or otherwise result in irreparable damage to us.

b. You acknowledge and agree that the Confidential Information belongs to us, may contain trade secrets belonging to us, and is disclosed to you or authorized for your use solely on the condition that you agree, and you therefore do agree, that you (1) will not use, directly or indirectly, the Confidential Information in any business or capacity or for any purpose other than as needed in the development and operation of the Franchise during the Term of this Agreement; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Term of this Agreement and not directly or indirectly publish or otherwise disclose it to any third party; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media that may be copied or duplicated; and (4) will adopt and implement all reasonable procedures, including any that we may prescribe from time to time, to prevent unauthorized use or disclosure of the Confidential Information, including without limitation restrictions on disclosure to or by your employees, and the use of non-disclosure, non-solicitation, non-disparagement and non-competition agreements we may prescribe or approve for your shareholders, partners, members, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information. You acknowledge and agree that we are

under no duty or obligation to you to enforce any such Agreements for your or our benefit. Your duties and obligations with respect to Confidential Information shall survive the Transfer, termination or expiration of this Agreement.

9.3 **Non-Competition Agreement and Other Restrictive Covenants**.

a. Non-Competition. You agree that we would be unable to protect the Confidential Information against unauthorized use or disclosure, and would be unable to encourage a free exchange of ideas and information among Degree Wellness franchises, if franchise owners of Degree Wellness franchises were permitted to hold interests in any competitive businesses (as described below). Therefore, during the Term of this Agreement, neither you, nor any Principal Owner, nor any member of your immediate family or of the immediate family of any Principal Owner, shall directly or indirectly perform services for, or have any direct or indirect interest as an owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in, any business that offers products or services the same as or similar to those offered or sold at Degree Wellness Studio franchises; provided, however, that the ownership of one percent (1%) or less of a publicly traded company will not be deemed to be prohibited by this Paragraph.

b. Non-Disparagement. You agree that during the Term of this Agreement, and thereafter following any Transfer, termination or expiration of this Agreement, neither you, nor any Principal Owner, nor any member of your immediate family or of the immediate family of any Principal Owner, will directly or indirectly make any negative or critical statements to any third parties, either verbally or in any other form or media, about (a) us, the Franchise, any of our franchisees, or any of their respective products, services, businesses or business practices, or (b) the actions, operations or character of any of our or their respective owners, officers, directors, employees, consultants or agents.

c. Non-Solicitation. You agree that during the Term of this Agreement, and thereafter for a period of two (2) years following any Transfer, termination or expiration of this Agreement, neither you, nor any Principal Owner, nor any member of your immediate family or of the immediate family of any Principal Owner, will directly or indirectly (a) solicit for wellness or related services or products with any person who was a member or client of the Franchise within the two year period prior to such Transfer, termination or expiration; or (b) interfere with our relationship with any of our franchisees, vendors, suppliers or referral sources.

d. General Managers to Sign Agreement. You further agree that you will cause each General Manager to enter into and deliver to us a Restrictive Covenant Agreement in such form as we may approve, either concurrently with the execution of this Agreement or at such later date when the affiliation of such person with you is established. You acknowledge and agree that we are under no duty or obligation to you to enforce any such Agreements for your or our benefit. The duties and obligations imposed in the

Restrictive Covenant Agreement shall survive the Transfer, expiration or earlier termination of this Agreement.

e. Covenants are Reasonable and Necessary. It is the express intention of the parties hereto to comply with all laws which may be applicable to this Agreement. You acknowledge and agree that a breach of any provision of this Section 9.3 would cause immediate and irreparable harm to us. Therefore, you acknowledge and agree that the foregoing restraints are fair and reasonable, are required for the protection of our legitimate business interests, and do not impose any undue hardship on you.

10. DEGREE WELLNESS FRANCHISE OPERATING STANDARDS.

10.1 **Condition and Appearance of the Franchise**. You agree that:

a. neither the Franchise nor the Premises will be used for any purpose other than the operation of the Franchise in compliance with this Agreement;

b. you will maintain the condition and appearance of the Franchise; its equipment, furniture, furnishings, and signs; and the Premises in accordance with our standards and consistent with the image of a Degree Wellness Studio franchise as an efficiently operated business offering high quality services, and observing the highest standards of cleanliness, sanitation, efficient, courteous service and pleasant ambiance, and in that connection will take, without limitation, the following actions during the Term of this Agreement: (1) thorough cleaning, repainting and redecorating of the interior and exterior of the Premises at reasonable intervals; (2) interior and exterior repair of the Premises; and (3) repair or replacement of damaged, worn out or obsolete equipment, furniture, furnishings and signs;

c. you will not make any material alterations to the Premises or the appearance of the Franchise, as originally developed, without our advance written approval. If you do so, we have the right, at our option and at your expense, to rectify alterations we have not previously approved;

d. you will promptly replace or add new equipment when we reasonably specify in order to meet changing standards or new methods of service;

e. on notice from us, you will engage in remodeling, expansion, redecorating and/or refurnishing of the Premises and the Franchise to reflect changes in the operations of Degree Wellness franchises that we prescribe and require of new franchisees, provided that (1) no material changes will be required unless there are at least 2 years remaining on the Initial Term or any renewal Term of this Agreement (all actual changes will be subject to our approval); and (2) we have completed the proposed change in at least twenty-five percent (25%) of all similarly situated Degree Wellness and affiliate-owned Degree Wellness Studios, if there are any, and have undertaken a plan to make the proposed change in the balance of such Degree Wellness and affiliate-owned Studios;

f. you will place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos, and display and advertising materials that we from time to time approve; and

g. if at any time in our reasonable judgment, the general state of repair, appearance, or cleanliness of the Premises of the Franchise or its fixtures, equipment, furniture, or signs do not meet our standards, then we shall have the right to notify you specifying the action you must take to correct the deficiency. If you do not initiate action to correct such deficiencies within 10 days after receipt of our notice, and then continue in good faith and with due diligence, a bona fide program to complete any required maintenance or refurbishing, then we shall have the right, in addition to all other remedies available to us at law or under this Agreement, to enter the Premises or the Franchise and perform any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand.

10.2 **Franchise Services and Products**. You agree that (a) the Franchise will offer for sale all the types of services and products that we from time to time specify for Studios, provided, however, that this provision shall not be deemed to affect or otherwise influence your judgment as to particular services and products that will be offered to individual patients; (b) you will not offer for sale or sell at the Franchise, the Premises, or any other location any services or products we have not approved; (c) all products will be offered at retail and within your Protected Territory, and you will not offer or sell any products at wholesale; (d) you will not use the Premises for any purpose other than the operation of the Franchise; and (e) you will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing. You agree to maintain an inventory of approved products sufficient in quantity and variety to realize the full potential of the Franchise. We may, from time to time, conduct market research and testing to determine consumer trends and the saleability of new services and products. You agree to cooperate by participating in our market research programs, test marketing new services and products in the Franchise, and providing us with timely reports and other relevant information regarding such market research. In connection with any such test marketing, you agree to offer a reasonable quantity of the products or services being tested, and effectively promote and make a reasonable effort to sell them.

10.3 **Approved Products, Distributors and Suppliers**. We have developed or may develop various unique products or services that may be prepared according to our formulations. We have approved, and will continue to periodically approve, specifications for suppliers and distributors (which may include us and/or our affiliates) for products or services required to be purchased by, or offered and sold at, Studio franchises, that meet our standards and requirements, including without limitation standards and requirements relating to product quality, prices, consistency, reliability, and customer relations; provided, however, that this provision shall not be deemed to affect or otherwise influence your clinical judgment as to particular services and products that will be offered to individual patients. You agree that the Franchise

will: (1) purchase any required products or services in such quantities as we designate; (2) utilize such formats, formulae, and packaging for products as we prescribe; and (3) purchase all designated products and services only from distributors and other suppliers we have approved.We may approve a single distributor or other supplier (collectively "supplier") for any product or service and may approve a supplier only as to certain products or services. We may concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support or services for any group of Studios franchised or operated by us. Approval of a supplier may be conditioned on requirements relating to the frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints), or other criteria, and may be temporary, pending our continued evaluation of the supplier from time to time.

If you would like to purchase any items from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier. We have the right to inspect the proposed supplier's facilities and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory that we may designate, for testing. We may charge you a supplier evaluation fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier and revoke our approval if the supplier does not continue to meet any of our criteria.

We and/or our affiliates may be an approved supplier of certain products or services to be purchased by you for use and/or sale by the Franchise. We and our affiliates reserve the right to charge any licensed manufacturer engaged by us or our affiliates a royalty to manufacture products for us or our affiliates, or to receive commissions or rebates from vendors that supply goods or services to you. We or our affiliates may also derive income from our sale of products or services to you, and may sell these items at prices exceeding our or their costs in order to make a profit on the sale.

10.4 **Hours of Operation**. You agree to keep the Franchise open for business at such times and during such hours as we may prescribe from time to time in our Operations Manual. You further agree that day-to-day operational decisions relating to the opening and closing procedures of the Franchised Business, including security, staffing, and other similar matters, shall be made solely by you.

10.5 **Specifications, Standards and Procedures**. You agree to comply with all mandatory specifications, programs, standards, and operating and management procedures relating to the appearance, function, cleanliness, sanitation and operation of the Franchise (the “Standards”). Any mandatory specifications, programs, standards, and operating and management procedures that we prescribe from time to time in the Operations Manual, or otherwise communicate to you in writing, will constitute provisions of this Agreement as if fully set forth in this Agreement. All references to "this Agreement," the “Operations Manual” or the “Standards” include all such mandatory specifications, programs, standards, and operating and management procedures. We will not, however, control or try to influence your or your

employee's exercise of professional and/or medical judgment, treatment protocols, employee decisions or relationships with patients.

10.6 **Compliance with Laws and Good Business Practices**.

a. You agree to secure and maintain in force in your name all required licenses, permits and certificates relating to the operation of the Franchise. You also agree to operate the Franchise in full compliance with all applicable laws, ordinances, and regulations, including without limitation all government regulations relating to worker's compensation insurance, advertising, unemployment insurance, the practice of health care in your state, and withholding and payment of federal and state income taxes, social security taxes, and sales taxes.

b. Under applicable federal law, including, without limitation, Executive Order 13224, signed on September 23, 2001 (the "Order"), you are prohibited from engaging in any transaction with any person engaged in, or with a person aiding any person engaged in, acts of terrorism as defined in the Order. Accordingly, you represent to us that you do not, and hereafter will not, engage in any acts of terrorism or terrorist activity. In addition, you represent to us that you are not affiliated with and/or do not support any individual or entity engaged in, contemplating, or supporting any acts of terrorism or terrorist activity. Further, you represent to us that you are not acquiring the rights granted under this Agreement with the intent to generate funds to channel to any individual or entity engaged in, contemplating, or supporting terrorist activity, or to otherwise support or further any terrorist activity.

c. All advertising you employ must be completely factual, in good taste (in our judgment), and conform to the highest standards of ethical advertising and all legal requirements. You agree that in all dealings with us, your customers, your suppliers, and public officials, you will adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You further agree to refrain from any business or advertising practice that may be harmful to the business of Degree Wellness, the Franchise, and/or the goodwill associated with the Marks and other Degree Wellness franchises.

d. You must notify us in writing within 5 days of (1) the commencement of any action, suit, or proceeding, and/or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental unit, that may adversely affect your and/or the Franchise's operation, financial condition, or reputation, including, without limitation, any and all claims of malpractice brought against you or any professional affiliated with you, regardless of the nature of the claim, anticipated outcome or remedies sought; and/or (2) your receipt or knowledge any notice of violation of any law, ordinance, or regulation relating to health or safety.

e. Without limiting any other provisions in this Agreement, you acknowledge and agree that you have sole responsibility for operating your Franchise in compliance with all applicable laws, rules, and regulations relating to the practice of health care, including without limitation: licensure, marketing and

advertising, use of medical equipment and devices, the sale or recommendation of dietary supplements, fee splitting prohibitions or restrictions, anti-kickback prohibitions and other laws or regulations governing the relationships between health care service providers and suppliers with physicians and restrictions on self-referrals, medical benefit payment systems, including self-pay, private, and government insurance requirements and regulations, advertisement of health care and related medical services, and patient privacy (the "Professional Laws"). You represent and warrant that you have independently investigated the Professional Laws applicable to the practice of medicine, health care and the operation of your Franchise in the Protected Territory, and that you have confirmed under the Professional Laws that you are permitted to manage and operate the Franchise in accordance with the System, specifically including providing all products and services to be offered by your Franchise and/or hiring health care providers and staff to provide all health care and related services to be offered by your Franchise. You acknowledge and agree that we are relying on your representations and warranties in granting the Franchise to you. You further agree and acknowledge that you must operate your Franchise in compliance with the Professional Laws during the Term of this Agreement and, in the event there are any changes to the Professional Laws (including any new Professional Laws) that would cause your operation of the Franchise to be in violation of the Professional Laws, you will immediately inform us of the change and your proposed method to comply with the Professional Laws, including entering into a Management Agreement, if necessary.

10.7 **Management and Personnel of the Franchise**

a. Unless we approve your employment of a General Manager to operate the Franchise as provided in Paragraph 4, you must actively participate in the actual, on-site, day-to-day operation of the Franchise, and devote as much of your time as is reasonably necessary for the efficient operation of the Franchise. If you are not an individual, then at least one (1) Principal Owner, director, officer, or other employee of you whom we approve must comply with this requirement. If we agree that you may employ a General Manager, then the General Manager must fulfill this requirement.

b. Any General Manager must obtain all licenses and certifications required by law before assuming his or her responsibilities at the Franchise.

c. You must ensure that your employees and independent contractors of the Franchise have any licenses as may be required by law, and hold or are pursuing any licenses, certifications, and/or degrees required by law or by us in the Operations Manual, as updated from time to time.

d. **You will be exclusively responsible for the terms of your employees' and independent contractors' employment and compensation, and for the proper training of your employees and independent contractors in the operation of the Franchise, all hiring, retention and firing decisions, and for all other employment practices utilized in the operation of the Franchise. You must notify and communicate clearly with your employees in all dealings (including, without limitation, your**

written and electronic correspondence, paychecks, and other materials) that Franchisee (and only Franchisee) is their employer and that Degree Wellness is not their employer.

e. You must establish any training programs for your employees and/or independent contractors that we may prescribe in writing from time to time. You are required to enroll in and maintain the human resources and payroll services provided by the vendor we designate for such services, including the payment of any fees and execution of any agreement required by such vendor. The required services consist of payroll processing, payroll tax filing, human resource solutions, benefits administration services, hiring and employee onboarding.

f. You must require all employees and independent contractors to maintain a neat and clean appearance and conform to the standards of dress that we specify in the Operations Manual, as updated from time to time.

g. Each of your employees and independent contractors must sign a written agreement, in a form approved by us, to maintain confidential our Confidential Information, proprietary information, and trade secrets as described in Paragraph 9.1. You must forward to us a copy of each such signed agreement.

h. All of your employees and independent contractors must render prompt, efficient and courteous service to all customers of the Franchise.

i. You agree not to recruit or hire, either directly or indirectly, any employee (or a former employee, for six (6) months after his or her employment has ended) of any Degree Wellness Studio operated by us, our affiliates, or another Degree Wellness franchise owner without first obtaining the written consent of us, our affiliate, or the franchise owner that currently employs (or previously employed) such employee. (If you violate this provision, in addition to any other right or remedy we may have, you agree to pay the employee's current or former employer twice the employee's annual salary, plus all costs and attorneys' fees incurred as a result of the violation. This amount is set at twice the employee's annual salary because it is a reasonable estimation of the damages that would occur from such a breach, and it will almost certainly be impossible to calculate precisely the actual damages from such a breach.)

10.8 **Insurance**

a. Before you open the Franchise and during any Term of this Agreement, you must maintain in force, under policies of insurance issued by carriers in good standing in the state where your Studio is located: (1) comprehensive commercial general liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Franchise or otherwise in conjunction with your conduct of the Franchise business pursuant to this Agreement, under one or more policies of insurance containing minimum liability coverage of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate; (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by

statute; (3) professional liability (malpractice) insurance, for each doctor practicing in your Franchise business, having limits of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate; and (4) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. We may periodically increase or decrease the amounts of coverage required under these insurance policies, and/or require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. In addition to the foregoing required policies of insurance, we highly recommend that you obtain property damage, business interruption, employment practices, cyber liability, and electronic data loss insurance coverage. You agree that compliance with any state minimum insurance requirements does not relieve you from the obligation to comply with the contractual insurance requirements in this Agreement.

b. You must provide us with 30 days' advance written notice of any material modification, cancellation, or expiration of any policy.

c. Deductibles must be in reasonable amounts and are subject to review and written approval by us.

d. Your commercial general liability insurance policy must be an "occurrence" policy and must name us (and, if we so request, our members, directors, employees, agents, and affiliates) as an additional insured.

e. The malpractice policy for each doctor working in your Franchise business must be endorsed to name us (and, if we so request, our members, directors, employees, agents, and affiliates) as an additional insured. If any of these policies are written on a "Claims Made" basis, you agree to purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of this Agreement and/or such policy.

f. You must provide us with (i) certificates and copies of additional insured endorsements evidencing the existence of such insurance concurrently with execution of this Agreement and prior to each subsequent renewal date of each insurance policy, and (ii) upon our request stating the reason therefor (such as a claim has been filed against us), copies of the insurance policies, along with all applicable endorsements. Prior to the expiration of the term of each insurance policy, you must furnish us with appropriate certificates of insurance evidencing the renewal or replacement insurance policy and additional insured endorsements.

g. If you at any time fail or refuse to maintain any insurance coverage required by us or to furnish satisfactory evidence thereof, then we, at our option and in addition to our other rights and remedies under this Agreement, may, but need not, obtain such insurance coverage on your behalf, and you shall reimburse us on demand for any costs or premiums paid or incurred by us.

Notwithstanding the existence of such insurance, you are and will be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the operation of the Franchise, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom; and you agree to defend, indemnify and hold us harmless of, from, and with respect to any such claims, loss or damage, which indemnity shall survive the termination or expiration and non-renewal of this Agreement.

h. In addition to the requirements of the foregoing paragraphs of this Paragraph 10.8, you must maintain any and all insurance coverage in such amounts and under such terms and conditions as may be required in connection with your lease or purchase of the Premises.

i. The insurance Degree Wellness requires is for its own protection. You should consult with your own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection you may need or desire, in addition to the coverages and minimum limits specified by Degree Wellness. Your obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance we maintain on our own behalf, nor will our maintenance of that insurance relieve you of any obligations under this Agreement.

10.9 **Credit Cards and Other Methods of Payment**. You must at all times have arrangements in existence with Visa, Master Card, and any other credit and debit card issuers or sponsors, check verification services, and electronic fund transfer systems that we designate from time to time, in order that the Franchise may accept customers' credit and debit cards, checks, and other methods of payment. We may require you to obtain such services through us or our affiliates or designated third parties.

11. **ADVERTISING**.

11.1 **By Degree Wellness.** As stated in Paragraph 6.3a, due to the importance of promoting the public image of Degree Wellness Studio franchises, we will establish, maintain, and administer the Fund to support and pay for national, regional, or local marketing and promotional programs that we deem necessary, desirable, or appropriate, in our sole discretion, to promote the good will and image of all Degree Wellness Studio franchises. You will contribute to the Fund in the amount set forth in Section 6.3a. We agree that any Studios owned by us or our affiliates will be required to contribute to the Fund on at least the same basis as you do, subject only to limitation under applicable law.

Degree Wellness will be entitled to direct all advertising programs financed by the Fund, with sole discretion over (i) the creative concepts, materials, endorsements, and media used therein, and (ii) the geographic, market, and media placement and allocation of the programs. Degree Wellness shall have the right to determine, in its sole discretion, the composition of all geographic territories and market areas for the development and implementation of such programs. You agree that the Fund may be used to pay any and all costs of maintaining, administering, directing, and preparing national, regional or local advertising

materials, programs, and promotional activities, including, without limitation, (a) costs for preparing and conducting television, radio, magazine, billboard, newspaper, internet and other media programs and activities, (b) costs associated with conducting marketing research, (c) costs associated with website development and marketing, including without limitation, search engine optimization and social media, (d) administering regional and multi-regional advertising programs, including, without limitation, purchasing direct mail and other media advertising, (e) employing advertising, program and marketing agencies, and vendors providing marketing services, (f) development, implementation and maintenance of online asset management tools, (g) marketing and advertising training programs and materials, and (h) costs for providing promotional brochures and advertising templates and materials to Degree Wellness Studio franchises. As available, we will provide you with digital or hard copies of our marketing materials via our intranet. We may, at our discretion, charge you for hard or digital copies of these marketing materials. You agree that the amounts you contribute to the Fund may be used for placement of advertising in television, radio, newspaper or other media as solely determined by Degree Wellness.

The Fund will be accounted for separately from other funds of Degree Wellness, and will not be used to defray any of our general operating expenses, except for any reasonable salaries, administrative costs, and overhead we may incur in activities reasonably related to the administration of the Fund and its advertising programs (including without limitation conducting market research, preparing advertising and marketing materials, and collecting and accounting for contributions to the Fund). We may spend in any fiscal year an amount greater or less than the total contributions to the Fund in that year. We may cause the Fund to borrow from us or other lenders to cover deficits of the Fund, or to invest any surplus for future use by the Fund. You authorize us to collect for remission to the Fund any advertising monies or credits offered by any supplier to you based upon purchases you make. We will prepare an annual, unaudited statement of monies collected and costs incurred by the Fund and will make it available to you on written request.

You understand and acknowledge that the Fund will be intended to maximize recognition of the Marks and the goodwill and patronage of Degree Wellness Studio franchises. Although we will endeavor to use the Fund to develop advertising and marketing materials, and to place advertising in a manner that will benefit all Degree Wellness Studio franchises, we undertake no obligation in developing, implementing, or administering advertising or promotional programs to ensure that expenditures by the Fund in or affecting any geographic area are proportionate or equivalent to contributions to the Fund by Degree Wellness Studio franchises operating in that geographic area, or that any Degree Wellness Studio franchise will benefit directly or in proportion to its contribution to the Fund from the development of advertising and marketing materials or the placement of advertising. Degree Wellness shall not be a fiduciary to you with respect to the management of the Fund. Except as expressly provided in this

Paragraph, we assume no direct or indirect liability or obligation to you with respect to the maintenance, direction, or administration of the Fund.

We will have the right to terminate the Fund by giving you 30 days' advance written notice. All unspent monies on date of termination will be divided between Degree Wellness and the contributing Degree Wellness Studio franchisees in proportion to our and their respective contributions. At any time thereafter, we will have the right to reinstate the Fund under the same terms and conditions as described in this Paragraph (including the rights to terminate and reinstate the Fund) by giving you thirty (30) days' advance written notice of reinstatement.

In addition to the Fund, as stated in Paragraph 6.3b, we may establish a program in the future to provide additional marketing services to Studio franchises. This program will involve the placement of individuals on a local basis to perform marketing activities for your benefit, subject to applicable law. This program will be required for Studio franchises. You agree to pay the fee specified in Paragraph 6.3b. If we choose to establish this program in the future, you agree to comply with all specifications and requirements contained in the Operations Manual concerning this program.

11.2 **By Franchise Owner**

a. Prior to opening, you must invest at least $12,000 on presale marketing to promote your Studio (the "Presale Marketing Requirement"). The manner in which you satisfy your Presale Marketing Requirement must be approved by us. You agree to begin your presale marketing efforts not less than4 months prior to opening. Upon opening, each month, you must spend, in addition to any contributions to the Fund and the Technology Fee, a minimum of $2,500 for local advertising, promotion and marketing, whichever is greater ("Local Marketing Requirement"). If we request it, you agree to provide us with evidence of your local advertising, marketing and promotional expenditures within 30 days after receiving such request.

b. You agree to list and advertise the Franchise in each of the internet and classified telephone directories distributed within your market area, and with such internet-based directories, and social media channels, as we may specify, in those business classifications as we prescribe from time to time, using any standard form of internet and classified telephone directory advertisement we may provide.

c. On each occasion before you use them, samples of all local advertising and promotional materials not prepared or previously approved by us must be submitted to us for approval. If you do not receive our written approval within 15 days from the date we receive the materials, the materials will be deemed to have not been approved. You agree to use only those advertising or promotional materials, vendors and activities that we have approved. Our actual or deemed approval will not, however, mean that we have analyzed or approved any such materials with respect to any state, local or administrative law, rule or regulation that may be applicable to a franchise's practice of health care related services in its State of

licensure. **You will be solely responsible and liable to ensure that all advertising, marketing, and promotional materials and activities you prepare comply with applicable federal, state, and local law including any regulations established by your state's licensing board, and the conditions of any agreements or orders to which you may be subject.**

d. You irrevocably consent to the use of your name and likeness, including voice and image, by us and its respective affiliates, successors and assigns, for all commercial purposes, including advertising and promotion, in any media, throughout the world in perpetuity, including but not limited to, on the internet.

11.3 **Local and Regional Advertising Cooperatives**. We may, from time to time, form local or regional advertising cooperatives ("Advertising Cooperative") to pay for the development, placement and distribution of advertising for the benefit of Studios located in the geographic region served by the Advertising Cooperative. Any Advertising cooperatives established by we will be operated solely as a conduit for the collection and expenditure of Advertising Cooperative fees for the aforementioned purposes. If we form an Advertising Cooperative for the region in which your Studio is located, you agree to participate in the Advertising Cooperative pursuant to the terms of this Section 11.3 in the amount we determine.

11.4 **Websites**

a. You acknowledge and agree that any Website (as defined below) will be deemed "advertising" under this Agreement, and will be subject to, among other things, the need to obtain our prior written approval in accordance with Paragraphs 7.2 and 11.2. As used in this Agreement, the term "Website" means an interactive electronic document, contained in a network of computers linked by communications software, that you operate or authorize others to operate, and that refers to the Franchise, the Marks, us, and/or the System. The term Website includes, but is not limited to, internet and World Wide Web home pages. In connection with any Website, you agree to the following:

(1) Before establishing any Website, you will submit to us a sample of the Website format and information in the form and manner we may require.

(2) You will not establish or use any Website without our prior written approval. You will not develop, maintain, or authorize any other Website, other online presence, or other electronic medium that mentions or describes the Franchised Business, or displays any of the Marks without our prior written approval.

(3) In addition to any other applicable requirements, you will comply with our standards and specifications for Websites as we prescribe in the Operations Manual or otherwise in writing. If we require, you will establish your Website as part of our Website and/or establish electronic links to our Website.

(4) If you propose any material revision to the Website or any of the information contained on the Website, you will submit each such revision to us for our prior written approval.

b. We reserve the right to require you to use a Website controlled by us and to require you to use search engine optimization services. Further, we may establish a Website or a series of Websites for our System and Studios (collectively, the "System Website"). If we include information about the Franchised Business on the System Website, you agree to give us the information and materials that we may periodically request concerning the Franchised Business, and to otherwise participate in the System Website in the manner that we may periodically require. By posting or submitting to us information or materials for the System Website, you are representing to us that the information and materials are accurate, not misleading, and do not infringe on any third party's rights. We shall own all intellectual property and other rights in the System Website and all information it contains. We may implement and periodically modify standards relating to the System Website and, at our option, may discontinue the System Website at any time. If we establish a System Website, all advertising, marketing, and promotional materials that you develop for your Franchised Business must contain the URL of the System Website in the manner that we periodically may designate.

c. We have contracted with third-parties to provide Website design, maintenance, hosting, and search engine optimization for our franchises and for the System Website, and certain technology-related annual conference expenses. You are required to use all of these services and are required to pay us a monthly fee, in an amount to be determined by us from time to time, for these services (the "Technology Fee"). We will pay the third-party providers directly. The amount you pay us may be less or more than the amount we pay to the third-party providers and may be used to offset internal costs related to the stated purposes of the Technology Fee.

12. ACCOUNTING, REPORTS AND FINANCIAL STATEMENTS. You agree to establish and maintain at your own expense a bookkeeping, accounting, and record keeping system conforming to the requirements, data processing, and cash register systems and formats, if any, which we prescribe from time to time. These systems may include the capability of being polled by our central computer system or a third party designee, which you agree to permit. With respect to the operation and financial condition of the Franchise, you agree to furnish us in the form we prescribe from time to time: (1) if we request it, by the day of each month that we may specify, an electronic report of the Franchise's gross revenues for the preceding month; (2) by the day of each month that we may specify, a written report of the Franchise's gross revenues for the preceding month, and any other data, information, and supporting records that we may require; (3) by the day of each month that we may specify, a profit and loss statement for the preceding calendar month, and a year-to-date profit and loss statement and balance sheet; (4) within 90 days after the end of your fiscal year, a fiscal year-end balance sheet, and an annual profit and loss statement for that

fiscal year, reflecting all year-end adjustments; and (5) such other reports as we prescribe from time to time. You must specify and sign each report and financial statement required by this section in the manner we prescribe. If we do not receive any report by the established deadline, then you must pay to us a non-refundable late fee of $100.00, payable in a lump sum by the tenth (10th) day of the month following the month during which the late report was due. You agree to maintain and furnish upon our request complete copies of federal and state income tax returns you file with the internal revenue service and state tax departments, reflecting revenues and income of the franchise or the corporation, partnership, or limited liability company that holds the Franchise. We reserve the right to require you to have audited or reviewed financial statements prepared by a certified public accountant on an annual basis.

13. INSPECTIONS AND AUDITS.

13.1 **Our Right to Inspect the Franchise**. To determine whether you and the Franchise are complying with this Agreement and the specifications, programs, standards, and operating procedures we prescribe for the operation of the Franchise, we or our agents, such as a "mystery shopper" service, have the right, at any reasonable time and without advance notice to you, to: (1) inspect the Premises; (2) observe the operations of the Franchise for such consecutive or intermittent periods as we deem necessary; (3) interview personnel of the Franchise; (4) interview customers of the Franchise; and (5) inspect and copy any books, referral sources, marketing and advertising, records and documents relating to the operation of the Franchise, including, without limitation, those required to be maintained and/or furnished under Section 12 above. You agree that we or our agents may record telephone calls placed to your Franchised Business. You agree to fully cooperate with us in connection with any of those inspections, observations and interviews and must promptly correct any deficiencies in the operation of your Franchise of which we advise you. You agree to present to your customers any evaluation forms we periodically prescribe, and agree to participate in, and/or request that your customers participate in, any surveys performed by or on our behalf. During any inspection of the Premises and/or the Franchise as contemplated under this Paragraph 13.1, we will comply with all laws and regulations applicable to us relating to any personal health information of your patients, as set forth in the business associate agreement that you must sign with us.

13.2 **Our Right to Audit**. We have the right at any time during business hours, and without advance notice to you, to inspect and audit, or cause to be inspected and audited, the business records, bookkeeping and accounting records, sales and income tax records and returns and other records of the Franchise, and the books and records of any corporation, limited liability company, or partnership that holds the Franchise. You agree to fully cooperate with our representatives, agents, and any independent accountants we may hire to conduct any inspection or audit, and to pay upon demand any underpayment found to have occurred, plus interest at the past due payment rate set forth earlier in this Agreement. You agree to supply us or our representatives with true, accurate and complete copies of requested documents

within 20 days of the date of the request. If the inspection or audit is necessary because of your failure to furnish any reports, supporting records, other information or financial statements as required by this Agreement, or to furnish such reports, records, information, or financial statements on a timely basis, or if an understatement of gross revenues for any period is determined by an audit or inspection to be greater than two percent (2%), then you agree to reimburse us for the cost of such inspection or audit, including without limitation any attorneys' fees and/or accountants' fees we may incur, and the travel expenses, room and board, and applicable per diem charges for our employees. If an understatement of gross revenues for any period is determined by an audit or inspection to be greater than five percent (5%), then, in addition to any other remedies we may have, we may immediately terminate this Agreement upon notice to you, without any right to cure (see Section 15.1). The above remedies are in addition to all our other remedies and rights under this Agreement or under applicable law.

14. **TRANSFER REQUIREMENTS**.

14.1 **Organization**. If you are a corporation, partnership, limited liability company or other legal entity (or if this Agreement is assigned to a corporation, partnership, limited liability company or other legal entity with our approval), you represent and warrant to us that you are and will continue to be throughout the Term of this Agreement, duly organized and validly existing in good standing under the laws of the state of your incorporation, registration or organization, that you are qualified to do business and will continue to be qualified to do business throughout the Term of this Agreement in all states in which you are required to qualify, that you have the authority to execute, deliver and carry out all of the terms of this Agreement, and that during the Term of this Agreement the only business you (i.e., the corporate, partnership or limited liability entity) will conduct will be the development, ownership and operation of the Franchise.

14.2 **Interests in Franchise Owner; Reference to Exhibit 2**. You and each Principal Owner represent, warrant, and agree that all "Interests" in Franchise Owner are owned in the amount and manner described in Exhibit 2. No Interests in Franchise Owner will, during the Term of this Agreement, be "public" securities (i.e., securities that require, for their issuance, registration with any state or federal authority). (An "Interest" is defined to mean any shares, units, membership interests, or partnership interests of Franchise Owner and any other equitable or legal right in any of Franchise Owner's stock, revenues, profits, rights, or assets. When referring to Franchise Owner's rights or assets, an "Interest" means this Agreement, Franchise Owner's rights under and interest in this Agreement, any Degree Wellness franchise, and the revenues, profits or assets of any Degree Wellness franchise.) You and each Principal Owner also represent, warrant, and agree that no Principal Owner's Interest has been given as security for any obligation (i.e., no one has a lien on or security interest in a Principal Owner's Interest), and that no change will be made in the ownership of an Interest other than as expressly permitted by this Agreement or

as we may otherwise approve in writing. You and each Principal Owner agree to furnish us with such evidence as we may request from time to time to assure ourselves that the Interests of Franchise Owner and each of your Principal Owners remain as permitted by this Agreement, including a list of all persons or entities owning any Interest, as defined above.

14.3 **Transfer by Degree Wellness.** You represent that you have not signed this Agreement in reliance on any owner, officer, or employee remaining with us in that capacity. We may change our ownership or form at any time in our sole discretion. This Agreement is fully transferable by us, without restriction, and will inure to the benefit of any person or entity to whom it is transferred, or to any other legal successor to our interests in this Agreement. After our assignment of this Agreement to a third party who expressly assumes our obligations under this Agreement, we no longer will have any performance or other obligations or liabilities under this Agreement.

14.4 **No Transfer Without Approval**.

a. You understand and acknowledge that the rights and duties created by this Agreement are personal to you and that we have entered into this Agreement in reliance on the individual or collective character, skill, aptitude, attitude, business ability, and financial capacity of you and your Principal Owners. Accordingly, if you Transfer or attempt to Transfer either this Agreement or any part of your interest in it, or any Interest of Franchise Owner or a Principal Owner, without our advance written approval, you will have breached this Agreement and we will have the right to terminate this Agreement under the terms of Article 15 below. In addition, any attempted Transfer by you of this Agreement or any part of your Interest in it, without our prior consent, is null and void.

b. As used in this Agreement the term "Transfer" means any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest, or occurrence of any other event which would or might change the ownership of any Interest, and includes, without limitation: (1) the Transfer of ownership of stock, units, membership interests, partnership interest or other ownership interest; (2) merger or consolidation, or issuance of additional securities representing an ownership interest in Franchise Owner; (3) sale or issuance of stock, units, membership interests, partnership interest or other ownership interest; (4) Transfer of an Interest in a divorce proceeding or otherwise by operation of law; (5) Transfer or all, or substantially all, of the operating assets of the Franchised Business; or (6) Transfer of an Interest by will, declaration of or transfer in trust, or under the laws of intestate succession.

c. We will not unreasonably withhold consent to a Transfer of an Interest by a Principal Owner to a member of his or her immediate family or to one or more of your key employees, so long as all Principal Owners together retain a "controlling Interest" (i.e., the minimum ownership percentage listed in Exhibit 2), although we reserve the right to impose reasonable conditions on the Transfer as a requirement for our consent.

d. Interests owned by persons other than the Principal Owners ("minority owners") may be Transferred without our advance consent unless the Transfer would give that transferee and any person or group of persons affiliated or having a common interest with the transferee more than a collective twenty-five percent (25%) Interest in Franchise Owner, in which case our advance written approval for the Transfer must be obtained. In the event of any minority owner transfer, you will promptly notify us of the change in ownership or Interests. Your formal partnership, corporation or other formation documents and all stock certificates, partnership units or other evidence of ownership must recite or bear a legend reflecting the transfer restrictions of this Paragraph 14.4.

e. If you propose to Transfer this Agreement, the Franchise or its assets, or any Interest, or if any of your Principal Owners proposes to Transfer a controlling Interest in you or make a Transfer that is one of a series of Transfers which taken together would constitute the Transfer of a controlling Interest in you, then you must apply to us for approval of such Transfer sign such forms and procedures as we have in effect at that time, the person or entity to whom you wish to make the Transfer ("Proposed New Owner") must apply to us for acceptance as a franchisee, and you must submit to us all of the information and documentation required for us to evaluate the proposed Transfer and to confirm that all of the conditions set forth in Section 14.5 below have been, or will be, satisfied.

f. If you receive a bona fide offer to purchase your interest in this Agreement or all or substantially all of the assets of the Franchised Business, or if any Owner receives a bona fide offer to purchase his or her equity interests in you, and you or such Owner wishes to accept such offer, you or the Owner must deliver to Franchisor written notification of the offer and, except as otherwise provided herein, Franchisor shall have the right and option, exercisable within 30 days after receipt of such written notification, to purchase the seller's interest on the same terms and conditions offered by the third party. If the bona fide offer provides for the exchange of assets other than cash or cash equivalents, the bona fide offer shall include the fair market value of the assets and you shall submit with the notice an appraisal prepared by a qualified independent third party evidencing the fair market value of such assets as of the date of the offer. Any material change in the terms of any offer prior to closing shall constitute a new offer subject to the same right of first refusal by Franchisor as in the case of an initial offer. If Franchisor elects to purchase the seller's interest, closing on such purchase must occur by the later of: (a) the closing date specified in the third party offer; or (b) within 60 days from the date of notice to the seller of Franchisor's election to purchase. Franchisor's failure to exercise the option described in this Section 14.4(f). shall not constitute a waiver of any of the transfer conditions set forth in this Article 14.5.

14.5 **Conditions for Approval of Transfer**. If you and your Principal Owners are in full compliance with this Agreement, both monetary and otherwise, we will not unreasonably withhold our approval of a Transfer that meets all the applicable requirements of this Section 14. The Proposed New

Owner must be of good moral character and otherwise meet our then applicable standards for Degree Wellness Studio franchisees. For any proposed Transfer, in addition to waiving our right of first refusal, all of the following conditions must be met before or at the time of the Transfer:

a. in our belief and judgment, the Proposed New Owner must have sufficient business experience, aptitude, and financial resources to operate the Franchise;

b. you must pay any amounts owed for purchases from us and our affiliates, and any other amounts owed to us or our affiliates which are unpaid, including any Initial Franchisee Fee, Continuing Franchise Fees, and Fund contributions;

c. the Proposed New Owner's directors and such other personnel as we may designate must have successfully completed our Initial Training program and shall be legally authorized and have all licenses necessary to perform the services offered by the Franchise. The Proposed New Owner shall be responsible for any wages and compensation owed to, and the travel and living expenses (if the Initial Training program is not held virtually in the future, and including all transportation costs, room, board and meals) incurred by, the attendees who attend the Initial Training program;

d. if your lease for the Premises requires it, the lessor must have consented to the assignment of the lease of the Premises to the Proposed New Owner;

e. you must pay us a non-refundable Transfer fee in the amount of $10,000.00 concurrently with the execution of the Transfer Agreement, described in Section 14.5f below, and you must reimburse us for any reasonable expenses incurred by us in investigating and processing any Proposed New Owner where the Transfer is not consummated for any reason;

f. you and your Principal Owners must execute a Transfer Agreement, which will include (i) a general release (in a form satisfactory to us) of any and all claims you and/or they may have against us, our affiliates, and our and our affiliates' respective officers, directors, employees, and agents, and (ii) acknowledgment that the restrictive covenants set forth in Article 9 of this Agreement will survive the Transfer to the extent set forth therein;

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

h. the Franchise and the Premises shall have been placed in an attractive, neat and sanitary condition.

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

require the Proposed New Owner to sign in connection with the Transfer, and containing a general release of any claims that you may have against us.

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

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

14.6 **Death and Disability**. Upon the death or permanent disability of you or a Principal Owner, the executor, administrator, conservator or other personal representative of the deceased or disabled person must Transfer the deceased or disabled person's Interest within a reasonable time, not to exceed twelve (12) months from the date of death or permanent disability, to a person we have approved. Such Transfers, including without limitation transfers by a will or inheritance, will be subject to all the terms and conditions for assignments and Transfers contained in this Agreement. Failure to so dispose of an Interest within the 12-month period of time will constitute grounds for termination of this Agreement.

14.7 **Effect of Consent to Transfer**. Our consent to a proposed Transfer pursuant to this Section 14 will not constitute a waiver of any claims we may have against you or any Principal Owner, nor will it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of this Agreement by the Proposed New Owner. Unless otherwise specified in writing, you will be subject to all post-Transfer/post-termination obligations set forth in this Agreement.

15. TERMINATION OF THE FRANCHISE.

15.1 **Event of Default.** Subject to applicable law, you will be deemed to be in default under this Agreement, and we will have the right to terminate this Agreement effective upon delivery of notice of termination to you, subject only to any right to cure to the extent expressly set forth below or mandated pursuant to applicable law, if:

a. you do not develop or open the Franchise, or you (or any individuals required to attend) fail to attend and/or successfully complete any required initial training or subsequent mandatory training, in accordance with all terms and conditions (including, without limitation, time limits) provided for in this Agreement;

b. you abandon, surrender, transfer control of, lose the right to occupy the Premises of, or do not actively operate, the Franchise, or your lease for or purchase of the location of the Franchise is terminated for any reason;

c. you or your Principal Owners assign or Transfer this Agreement, any Interest, the Franchise, or assets of the Franchise without complying with the provisions of Section 14;

d. you are adjudged a bankrupt, become insolvent or make a general assignment for the benefit of creditors, or you fail to satisfy any judgment rendered against you for a period of 30 days after all appeals have been exhausted;

e. you use, sell, distribute or give away any services or products, or use any patient referral or marketing service, that has not been formally approved by us in writing and in advance for your specific Franchise or for the System as a whole;

f. you or any of your Principal Owners are convicted of or plead no contest to a felony or are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of Degree Wellness, the Franchise, and/or the goodwill associated with the Marks, or otherwise engage in any dishonest, unethical, or other conduct that is reasonably likely to reflect materially and unfavorably on the goodwill or reputation of your Franchised Business, the Marks or the System;

g. you or any of your employees violate any health or safety law, ordinance or regulation, or operate the Franchise in a manner that presents a health or safety hazard to your customers or the public;

h. you do not pay when due any monies owed to us or our affiliates, and do not make such payment within ten (10) days after written notice is given to you (unless a longer cure period is otherwise required by applicable law, in which case such longer period shall apply);

i. if you under-report gross revenues for any period, as determined by an audit or inspection, in an amount greater than five percent (5%);

j. you or any of your Principal Owners fail to comply with any other provision of this Agreement, any other agreement with us, or any mandatory specification, program, standard, or operating procedure within 30 days after written notice of such failure to comply is given to you (unless a longer cure period is otherwise required by applicable law, in which case such longer period shall apply);

k. you fail to submit when due any financial statements, reports or other data, information, or supporting records; or

l. you or any of your Principal Owners fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, whether or not such failures to comply are corrected after notice is given to you or your Principal Owners.

Notwithstanding the foregoing, in the event you fail to timely and expressly assume, ratify or confirm this Agreement in any bankruptcy proceeding and you cease, or have ceased, performance hereunder in any

respect, then all rights granted to you under this Agreement shall immediately and automatically terminate and revert to us without further notice to you or action on our part.

15.2 **Legal Requirements.** In addition, if, in the opinion of our legal counsel, any provision of this Agreement is contrary to law, then this Agreement shall remain in full force and effect and you and we agree to negotiate in good faith an amendment that would make this Agreement conform to the applicable legal requirements. If you and we are unable to reach such an agreement within 30 days after notice of the issue is given to the other party, or if fundamental changes to this Agreement are required to make it conform to the legal requirements, then we reserve the right to terminate this Agreement upon notice to you, in which case neither party shall have any liability to the other but all of your post-termination obligations set forth in Section 16 shall apply.

15.3 **Our Remedies upon Termination.** In the event that we terminate this Agreement under Section 15.1 or other applicable provisions of this Agreement, but excluding the circumstances described in Section 15.2, all rights granted to you under this Agreement shall immediately and automatically terminate and revert to us, and we shall be entitled, to recover from you any and all of the foregoing:

a. in those states in which such termination fees are enforceable, to receive from you a termination fee in the amount equal to one-half (1/2) of our then-current initial franchise fee for new Degree Wellness Studio franchises; and

b. an amount equal to your average monthly Continuing Franchise Fee, Fund contribution, and Technology Fee multiplied by the number of months remaining in the Term of this Agreement, discounted by a present value discount factor of five percent (5%) and any additional actual, economic, consequential and indirect damages incurred by us including, without limitation, the loss of future revenues (which we both agree include the expected amount of Continuing Franchise Fees, Fund contributions, and Technology Fees payable by you for the remainder of the Term of this Agreement); and

c. all costs and expenses, including attorneys' fees, incurred in connection with the termination, collection of the termination fee and/or damages, and audit fees and expenses.

15.4 **Withholding of Performance.** Degree Wellness will perform its obligations under this Agreement if you are in full compliance with all or your duties and obligations to Degree Wellness under this Agreement and the Operations Manual (including any documents incorporated therein). If you are not in such compliance, we may, in our sole judgment, do any or all of the following until you fully correct the breach or default or Degree Wellness terminates this Agreement:

a. deny you access to the Degree Wellness website or Intranet;

b. remove your Franchised Business from the Franchised Business locator page and/or remove your interior pages, on the Degree Wellness Website;

c. remove your Franchised Business from the list of Franchised Businesses to which inquiries are referred;

d. remove your Franchised Business from the list of Franchised Businesses that are entitled to Degree Wellness-related discounts from approved vendors; and/or

e. remove your Franchised Business from the list of Franchised Businesses that are approved to participate in national or other alliance programs.

Degree Wellness may take any or all of these actions in addition to or instead of giving you notice of default and/or termination under this Agreement. You acknowledge and agree that Degree Wellness's withholding of performance services in accordance with this Section 15.4 will not constitute a breach of this Agreement and/or a defense to the enforcement by us of any provision of this Agreement, including the right to receive payment of Continuing Franchise Fees as provided in Section 6.2. You also acknowledge and agree that, should we choose to withhold performance rather than terminate this Agreement, Degree Wellness's failure to exercise its right to terminate this Agreement will in no way constitute a waiver of its subsequent right to terminate this Agreement for the specified default or for any other default or to exercise any other remedies available to us under this Agreement, at law, or in equity.

16. RIGHTS AND OBLIGATIONS OF COMPANY AND FRANCHISE OWNER UPON TERMINATION OR EXPIRATION OF THE FRANCHISE.

16.1 **Payment of Amounts Owed to** Degree Wellness. You agree to pay us within five (5) days after the effective date of termination or expiration of the Franchise, or any later date that the amounts due to us are determined, all amounts owed to us or our affiliates which are then unpaid including, without limitation, any unpaid Initial Franchise Fee, any unpaid Continuing Franchise Fees, and any termination fee, damages, costs or expenses owed by you pursuant to Section 15.3, together with any audit costs and expenses owed by you pursuant to Section 13.2.

16.2 **Marks**. Use of the Marks and Copyrightable Works after the termination or expiration of the Studio Franchise will constitute the unlawful use of our intellectual property rights, which include trademarks and service marks. You agree that after the termination or expiration of the Franchise you will:

a. not directly or indirectly at any time identify any business with which you are associated as a current or former Degree Wellness franchise or franchisee;

b. not use any Mark, any colorable imitation of any Mark, or any Copyrightable Works in any manner or for any purpose, or use for any purpose any trademark or other commercial symbol that suggests or indicates an association with us;

c. return to us or destroy (whichever we specify) all customer lists, forms and materials containing any Mark or any Copyrightable Works or otherwise relating to a Degree Wellness franchise;

d. remove all Marks affixed to uniforms or, at our direction, cease to use those uniforms; and

e. take any action that may be required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark.

You irrevocably appoint Degree Wellness your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within 10 days after termination of this Agreement.

16.3 **De-Identification**. If you retain possession of the Premises, you agree to completely remove or modify, at your sole expense, any part of the interior and exterior decor that we deem necessary to disassociate the Premises with the image of a Degree Wellness franchise, including any signage, posters, furniture, equipment, products, or display units bearing the Marks. If you do not take the actions we request within 10 days after notice from us, we have the right to enter the Premises and make the required changes at your expense, and you agree to reimburse us for those expenses on demand. You irrevocably appoint Degree Wellness your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within 10 days after termination of this Agreement.

16.4 **Confidential Information**. You agree that on termination or expiration of the Franchise you will immediately cease to use any of the Confidential Information and agree not to use it in any business or for any other purpose. You further agree that all non-disclosure and related covenants set forth in Section 9 above shall survive such termination or expiration and you will immediately return to us all copies of the Operations Manual and any written Confidential Information or other confidential materials that we have loaned or provided to you.

16.5 **Other Actions**. Upon termination of this Agreement for any reason, and in addition to any other provisions contained in this Agreement, the parties will have the following further rights and obligations:

a. You must promptly execute any documents and take any steps that in the judgment of Degree Wellness are necessary to delete your listings from classified telephone directories and on-line listings, disconnect, or, at Degree Wellness's option, assign to it all telephone numbers that have been used in your Franchised Business, assign to Degree Wellness any URLs, domain names, and social media and social networking names that you have used in connection with your Franchised Business, and terminate all other references that indicate you are or ever were affiliated with Degree Wellness. By signing this Agreement, you irrevocably appoint Degree Wellness your attorney-in-fact to take the actions described in this paragraph if you do not do so yourself within 10 days after termination of this Agreement. If Degree Wellness chooses not to have you assign the telephone numbers to it, you may not assign the telephone number to any competitive business, use automatic forwarding to the telephone number of any competitive business, or otherwise make the telephone number directly or indirectly available to any competitive business.

b. Your Principal Owners and General Manager must immediately comply with the restrictive covenants set forth in this Agreement and any Restrictive Covenants Agreement signed by your General Manager, as applicable.

c. You must give Degree Wellness a final accounting for your Franchised Business, and you must maintain all accounts and records for your Franchised Business for a period of not less than seven years after final payment of any amounts you owe to Degree Wellness, its affiliates, and/or related persons when this Agreement is terminated, but you may not sell, disclose, or otherwise transfer any of the information contained in those accounts and records (other than patient records needed for their continuing care) to, or for use by, any competitive business.

If this Agreement is terminated because of your default, the rights of Degree Wellness described above or elsewhere in this Agreement may not necessarily be Degree Wellness's exclusive remedies but will instead supplement any other equitable or legal remedies available to Degree Wellness, including the right to withhold performance as provided in Section 15.4 of this Agreement. If this Agreement is terminated because of your default, nothing in this Section 16.5 may be construed to deprive Degree Wellness of the right to recover damages as compensation for lost profits.

16.6 **Continuing Obligations**. All obligations of this Agreement (whether yours or ours) that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination until they are satisfied in full or by their nature expire. Without limiting the foregoing, you acknowledge and agree that your covenants in Article 9 above survive the termination or expiration of this Agreement to the extent set forth in such Article 9.

17. ENFORCEMENT.

17.1 **Invalid Provisions; Substitution of Valid Provisions**.

a. To the extent that any of the non-competition, non-solicitation, or other restrictive covenants of this Agreement are deemed unenforceable because of their scope in terms of area, business activity prohibited, length of time, or other terms, you agree that the invalid provision will be deemed modified or limited to the extent or manner necessary to make that particular provision valid and enforceable to the greatest extent possible in light of the intent of the parties expressed in such provision under the laws applied in the forum in that we are seeking to enforce such provision.

b. If any lawful requirement or court order of any jurisdiction (1) requires a greater advance notice of the termination or non-renewal of this Agreement than is required under this Agreement, or the taking of some other action which is not required by this Agreement, or (2) makes any provision of this Agreement or any specification, program, standard, or operating procedure we prescribed invalid or unenforceable, then the advance notice and/or other action required or revision of the specification,

program, standard, or operating procedure will be substituted for the comparable provisions of this Agreement in order to make the modified provisions enforceable to the greatest extent possible. You agree to be bound by the modification to the greatest extent lawfully permitted.

c. If a state regulator requires an amendment to this Agreement, the amendment is attached to this Agreement. We will not, however, be precluded from contesting the validity, enforceability, or applicability of such regulator's required amendment in any action relating to this Agreement or to its rescission or termination.

17.2 **Unilateral Waiver of Obligations**. Either you or we may, by written notice, unilaterally waive or reduce any obligation or restriction of the other under this Agreement. The waiver or reduction may be revoked at any time for any reason on 10 days' written notice.

17.3 **Written Consents from Degree Wellness**. Whenever this Agreement requires our advance approval or consent, you agree to make a timely written request for it. Our approval or consent will not be valid unless it is in writing.

17.4 **Lien**. To secure your performance under this Agreement and indebtedness for all sums due us or our affiliates, we shall have a lien upon, and you hereby grant us a security interest in, the following collateral and any and all additions, accessions, and substitutions to or for it and the proceeds from all of the same: (a) all inventory now owned or after-acquired by the Franchise, including but not limited to all inventory and supplies transferred to or acquired by you in connection with this Agreement; (b) all accounts of the Franchise now existing or subsequently arising, together with all interest in the Franchise, now existing or subsequently arising, together with all chattel paper, documents, and instruments relating to such accounts; (c) all contract rights of the Franchise, now existing or subsequently arising including, without limitation, accounts receivable and other contractual rights to payment from others; (d) all general intangibles of the Franchise, now owned or existing, or after-acquired or subsequently arising including, without limitation, all awards, damages, payments, escrowed monies, insurance proceeds, and interest, fees, charges or payments accruing on or received from or to be received on any of the foregoing in any way; and (e) all products, proceeds, substitutions, and replacements of any of the above described collateral. You agree to execute such financing statements, instruments, and other documents, in a form satisfactory to us, that we deem necessary so that we may establish and maintain a valid security interest in and to these assets, and you authorize us to file, without your signature, such financing statements as we shall deem necessary or advisable to reflect the security interest granted herein.

17.5 **No Guarantees**. If in connection with this Agreement we provide to you any waiver, approval, consent, or suggestion, or if we neglect or delay our response or deny any request for any of those, then we will not be deemed to have made any warranties or guarantees and will not assume any liability or obligation to you as a result.

17.6 **No Waiver**. If at any time we do not exercise a right or power available to us under this Agreement or do not insist on your strict compliance with the terms of the Agreement, or if there develops a custom or practice that is at variance with the terms of this Agreement, then we will not be deemed to have waived our right to demand exact compliance with any of the terms of this Agreement at a later time. Similarly, our waiver of any particular breach or series of breaches under this Agreement, or of any similar term in any other agreement between us and any other Degree Wellness franchisee will not affect our rights with respect to any later breach. It will also not be deemed to be a waiver of any breach of this Agreement for us to accept payments that are due to us under this Agreement.

17.7 **Cumulative Remedies**. The rights and remedies specifically granted to either you or us by this Agreement will not be deemed to prohibit either you or us from exercising any other right or remedy provided under this Agreement or permitted by law or equity.

17.8 **Specific Performance; Injunctive Relief; Liquidated Damages**.

a. Equitable Remedies. Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to the entry of temporary and permanent injunctions and orders of specific performance to (1) enforce the provisions of this Agreement relating to your use of the Marks and non-disclosure, non-solicitation, non-disparagement, and non-competition obligations under this Agreement and any Restrictive Covenants Agreement signed by a General Manager; (2) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance, or regulation; constitutes a danger to the public; or may impair the goodwill associated with the Marks or Degree Wellness franchises; or (3) prevent any other irreparable harm to our interests. If we obtain an injunction or order of specific performance, then you shall pay us an amount equal to the total of our costs of obtaining it, including without limitation reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly.

b. Liquidated Damages. You agree that precise damages are difficult to calculate for a breach or violation of the provisions of Section 9 of this Agreement. Therefore, if you breach or violate Section 9 of this Agreement it is agreed that we would suffer actual damages of at least Fifty Thousand Dollars. In addition to any liquidated damages permitted herein, you must pay to us any and all actual damages in excess of the liquidated amount, plus all attorneys' fees incurred by us as a direct or indirect result of any breach or violation of this Agreement.

17.9 **Arbitration**.

a. Agreement to Arbitrate. Except insofar as we elect to enforce this Agreement or to

seek temporary or permanent injunctive relief as provided above, all controversies, disputes or claims arising between us, our affiliates, and our and their respective owners, officers, directors, agents, and employees (in their representative capacity) and you (and your Principal Owners and guarantors) arising out of or related to: (1) this Agreement, any provision thereof, or any related agreement (except for any lease or sublease with us or any of our affiliates); (2) the relationship of the parties hereto; (3) the validity of this Agreement or any related agreement, or any provision thereof; or (4) any specification, standard or operating procedure relating to the establishment or operation of the Franchise, shall be submitted for arbitration to be administered by the office of the American Arbitration Association.

b. Place and Procedure. Such arbitration proceedings shall be conducted in Duvall County, Florida, and, except as otherwise provided in this Agreement, shall be conducted in accordance with then current commercial arbitration rules of the American Arbitration Association, and the arbitration hearing shall be conducted before a single arbitrator, not a panel.

c. Costs of Arbitration. You and we acknowledge and agree that neither party shall be permitted to bring or maintain any actions, claims or counter-claims against the other party in any arbitration proceeding unless the party asserting such action, claim or counterclaim timely pays all costs and fees charged to it by the American Arbitration Association and one-half of all charges and fees of the designated arbitrator for the proceeding, as and when billed. In the event a party fails to pay all costs and fees charged to it by the American Arbitration Association and one-half of all charges and fees of the designated arbitrator for the proceeding, as and when billed, the arbitrator is directed to dismiss any actions, claims or counter-claims brought by such party in the arbitration.

d. Awards and Decisions. The arbitrator shall have the right to award or include in his award any relief that he or she deems proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief (including permanent, temporary, and preliminary injunctive relief), attorneys' fees, and costs. The award and decision of the arbitrator shall be conclusive and binding on all parties to this agreement, and judgment on the award may be entered in any court of competent jurisdiction, and each such party waives any right to contest the validity or enforceability of such award.

e. Arbitration Discovery. Discovery under the arbitration will be limited to the following for each side: (i) three depositions totaling 12 hours; (ii) six interrogatories each consisting of no more than 12 questions (with no subparts); and (iii) three document requests. The discovery may also be limited in any other manner as specified by the arbitrator, who will limit discovery to the greatest extent possible consistent with basic fairness.

f. Survival; Third Parties. The provisions of this Paragraph are intended to benefit and

limit third party non-signatories so that they are bound hereby and will continue in full force and effect subsequent to, and notwithstanding expiration or termination of, this Agreement.

g. No Class Action or Consolidation. You and we agree that any such arbitration shall be conducted on an individual, not a joint or class-wide basis, and shall not be consolidated with any other arbitration proceeding.

h. Internal Mediation Prior to Arbitration. Except insofar as we elect to enforce this Agreement or to seek temporary or permanent injunctive relief as provided in Section 17.8 of this Agreement, before either party commences an arbitration under this Section, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in a mutually agreeable location or, if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters. In the event that no settlement or resolution between the parties can be reached through internal mediation within thirty (30) days following the date on which a written request for internal mediation is made by any party, such dispute shall be submitted for arbitration pursuant to this Section. "Internal mediation" shall consist of, among other things, the parties having reasonable business discussions, whether by telephone or in person, concerning the dispute and means of resolving the same.

17.10 **Waiver of Certain Damages and Jury Trial; Limitations of Actions**. Except with respect to your obligations to indemnify us and claims that we may bring under Sections 7, 9, 15, or 16 of this Agreement, and except for claims arising from your non-payment or underpayment of any amounts owed to us or our affiliates, (1) any and all claims arising out of or related to this Agreement or the relationship between you and us shall be barred, by express agreement of the parties, unless an action or proceeding is commenced within two (2) years from the date the cause of action accrues; and (2) you hereby waive to the fullest extent permitted by law, any right to or claim for any indirect, special, consequential, incidental, punitive, exemplary, or treble damages, and other forms of multiple damages, against us, including without limitation, any economic loss, property damage, physical injury, or lost profits arising out of this Agreement, your use of the Marks, the System, or your inability to use the Marks or the System, regardless of whether arising under breach of contract, warranty, tort, strict liability, or any other legal or equitable theory or claim, even if such loss or damage could have been reasonably foreseen. Further, you agree that, except to the extent provided to the contrary in this Agreement, in the event of a dispute between you and us, you will be limited to the recovery of any actual damages sustained by you. You and we irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either you or us.

17.11 **Governing Law/Consent To Jurisdiction. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 et seq.) and except that all issues relating to arbitrability or the enforcement or interpretation of the agreement to arbitrate set forth in Section 17.9 which will be governed by the United States Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law relating to arbitration, this Agreement and the Franchise will be governed by the internal laws of the State of Florida (without reference to its choice of law and conflict of law rules), except that the provisions of any Florida law relating to the offer and sale of business opportunities or franchises or governing the relationship of a franchisor and its franchisees will not apply unless their jurisdictional requirements are met independently without reference to this Paragraph. You agree that the venue for any action arising out of or relating to this Agreement (which is not required to be arbitrated hereunder or as to which arbitration is waived) shall be in any state or federal court of general jurisdiction in Duvall County, Florida, unless otherwise mutually agreed by the parties in writing, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.**

17.12 **Binding Effect**. This Agreement is binding on and will inure to the benefit of our successors and assigns and, subject to the Transfers provisions contained in this Agreement, will be binding on and inure to the benefit of your successors and assigns, and if you are an individual, on and to your heirs, executors, and administrators.

17.13 **No Liability to Others; No Other Beneficiaries**. We will not, because of this Agreement or by virtue of any approvals, advice or services provided to you, be liable to any person or legal entity that is not a party to this Agreement, and no other party shall have any rights because of this Agreement. Without limiting the generality of the foregoing, you acknowledge and agree that you will not make any allegation or take any position with respect to a third party claim that is contrary to the foregoing sentence or Article 19 below.

17.14 **Construction**. All headings of the various Sections and Paragraphs of this Agreement are for convenience only, and do not affect the meaning or construction of any provision. All references in this Agreement to masculine, neuter or singular usage will be construed to include the masculine, feminine, neuter or plural, wherever applicable. Except where this Agreement expressly obligates us to reasonably approve or not unreasonably withhold our approval of any of your actions or requests, we have the absolute right to refuse any request by you or to withhold our approval of any action or omission by you. The term "affiliate" as used in this Agreement is applicable to any company directly or indirectly owned or controlled by you or your Principal Owners, or any company directly or indirectly owned or controlled by us that sells products or otherwise transacts business with you.

17.15 **Joint and Several Liability**. If two (2) or more persons are the Franchise Owner under this Agreement, their obligation and liability to us shall be joint and several.

17.16 **Multiple Originals**. This Agreement will be executed using multiple copies, each of which will be deemed an original.

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

17.18 **Independent Provisions**. The provisions of this Agreement are deemed to be severable. In other words, the parties agree that each provision of this Agreement will be construed as independent of any other provision of this Agreement.

17.19 **Exercise of Discretion**. Whenever this Agreement gives Degree Wellness discretion to take an action or make a decision, Degree Wellness will be allowed to take or make (or refrain from taking or making) that action or decision based on its business judgment. Even if Degree Wellness has numerous motives for a particular action or decision and/or there are other reasonable and/or arguably preferable alternatives to a particular action or decision, so long as at least one motive is a reasonable business justification, the action or decision will not be subject to challenge for abuse of discretion. IF THE EXERCISE OF DEGREE WELLNESS'S DISCRETION AS TO ANY MATTER IS CHALLENGED, THE PARTIES EXPRESSLY DIRECT THE TRIER OF FACT THAT DEGREE WELLNESS'S RELIANCE ON A BUSINESS REASON IN THE EXERCISE OF ITS DISCRETION IS TO BE VIEWED AS A REASONABLE AND PROPER EXERCISE OF DEGREE WELLNESS'S DISCRETION, WITHOUT REGARD TO WHETHER OTHER REASONS FOR ITS DECISION MAY EXIST AND WITHOUT REGARD TO WHETHER THE TRIER OF FACT WOULD INDEPENDENTLY ACCORD THE SAME WEIGHT TO THE BUSINESS REASON.

18. NOTICES AND PAYMENTS.

All written notices, reports and payments permitted or required under this Agreement or by the Operations Manual will be deemed delivered: (a) at the time delivered by hand; (b) one (1) business day after transmission by telecopy, facsimile or other electronic system; (c) one (1) business day after being placed in the hands of a reputable commercial courier service for next business day delivery; or (d) three (3) business days after placed in the U.S. mail by Registered or Certified Mail, Return Receipt Requested, postage prepaid; and addressed to the party to be notified or paid at the address below, or its most current principal business address of which the notifying party has been advised, or to any other place designated by either party. Any required notice, payment or report which we do not actually receive during regular business hours on the date due (or postmarked by postal authorities at least two (2) days before it is due) will be deemed delinquent. Notice shall be sent to the following addresses:

To us: Degree Wellness Franchise, LLC
Attn: Amanda Watts
200 Riverside Ave.
Jacksonville, FL 32202

To you: The address(es) listed in Exhibit 2.

19. INDEPENDENT PROFESSIONAL JUDGMENT OF YOU AND YOUR GENERAL MANAGER.

You and we acknowledge and agree that the specifications, programs, standards, and operating procedures related to the services offered by the Franchise under this Agreement are not intended to limit or replace the professional judgment of you, or any General Manager or any employee of the Franchise, in supervising and performing the services offered by your Franchise. The specifications, programs, standards, and operating procedures represent only the minimum standards, and you and your General Manager (if any) are solely responsible for ensuring that the Franchise performs services in accordance with all applicable laws, rules, regulations, requirements and standards of care.

Nothing in this Agreement shall obligate you or your General Manager (if any) to perform any act that is contrary to your or your General Manager's (if any) professional judgment; provided, however, that you must notify us immediately upon your determination that any specification, program, standard or operating procedure is contrary to your or your General Manager's (if any) professional judgment. Without limiting the generality of the foregoing, you acknowledge and agree that nothing contained in this Agreement or in any other agreement entered into by you in connection with this Agreement, shall be deemed to: (a) grant ownership or exclusive control of your patient records to us or any third party; (b) grant us direct or indirect control over the hiring or firing of any of your personnel who provide clinical services to your patients, or otherwise enable us to influence or control your employment decisions and practices; (c) impose, directly or indirectly, any requirements that affect your exercise of professional judgment in creating treatment plans and delivering clinical services and products to patients; or (d) directly or indirectly transfer legal liability from you to us with respect to the content of advertising or the implementation of any marketing program undertaken to promote your practice.

You further acknowledge and agree that all services and products that constitute the practice of medicine, or heath care, in your State will be provided to patients only by health care professionals that are duly licensed to provide the applicable services and products, in accordance with all applicable laws, rules and regulations, and that no entity (including us or any entity that you may form to operate your Franchised Business) will have any authority, control or influence over the scope of such services or products or the manner in which they are supplied. In the event that you enter into any Management Agreement or similar

arrangement with respect to the provision of any professional services, we reserve the right, but do not assume the obligation, to review and approve such agreement.

20. ENTIRE AGREEMENT.

This Agreement, together with the introduction and exhibits to it, constitutes the entire agreement between us, and there are no other oral or written understandings or agreements between us concerning the subject matter of this Agreement. Notwithstanding, in accordance with federal law, nothing in this Agreement shall require you to waive reliance on any representation made in the FDD. This Agreement may be modified only by written agreement signed by both you and us, except that we may modify the Operations Manual at any time as provided herein.

[*Document Continues Below*]

The parties to this Agreement now execute and deliver this Agreement in multiple counterparts as of the date of the last signature below.

Degree Wellness Franchise, LLC

By: _____

Title: _____

Date: _____

FRANCHISE OWNER

Print Name: _____

Signature(s): _____

_____

_____

Date: _____

[NOTE: If the Franchise Owner is a corporation, partnership, LLC or other entity, please include the title of each signing party, and have each Principal Owner sign the Personal Guaranty form]

EXHIBIT 1 TO THE DEGREE WELLNESS FRANCHISE AGREEMENT

FRANCHISE AGREEMENT EXPIRATION DATE

PROTECTED TERRITORY

FRANCHISE OPENING

1-1 **Expiration Date ; Continuing Franchise Fee**. Unless sooner terminated in accordance with the provisions of this Agreement, this Agreement will expire on _____.

1-2 **Site Selection Area**. The Site Selection Area referred to in Section 3.1 of this Agreement shall be the following zip Codes: _____

_____.

1-3 **Protected Territory**. The Protected Territory referred to in Section 2.3 of this Agreement shall be depicted by a map of the Protected Territory, signed or initialed and dated by you and us, that may be attached hereto or otherwise agreed upon in writing by the parties, and such map shall be deemed to be incorporated herein by reference.

1-4 **Franchise Opening Schedule**. In signing the foregoing Agreement to which this Exhibit 1 is attached, you acknowledge that:

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

_____

_____

_____

1-5 **Development Agreement.** Check if the following provisions apply:_____.

1. You have purchased the Franchise to which the Agreement was granted pursuant to a development agreement between you and the Franchisor (the "Development Agreement"). This Agreement is one of a group of _____ (_____) Studio licenses purchased pursuant thereto.

2. The Franchise to which this Agreement corresponds constitutes Franchise number _____ of the Franchises mentioned above.

3. You must open each Franchise mentioned above within a certain time period specified by us, the length of which depends upon the number of Franchises you have purchased and the number of these Franchises that you have developed and opened for business before developing and opening the Franchise to which the Agreement corresponds.

EXHIBIT 2 TO THE DEGREE WELLNESS FRANCHISE AGREEMENT

OWNERSHIP INTERESTS IN FRANCHISE OWNER

2-1. Full name and address of the owners of, and a description of the type of, all currently held Interests in Franchise Owner:

	Name	Address	Interest held, including percentage	Required minimum ownership interest
Franchise Owner			N/A	N/A
Principal Owner				
Principal Owner				
Principal Owner				
Principal Owner				

Attach Additional Sheet for Principal Owners, if required.

2-2. Minimum individual and aggregate Principal Owner ownership percentage required at all times during the Term of this Agreement:

2-2.1 During the Term of this Agreement, the Principal Owners together must have a "controlling interest" (i.e., a 100 percent "ownership interest" of the equity, voting control and profits) in Franchise owner.

2-2.2 Unless otherwise permitted, the required minimum "ownership interest" of each Principal Owner during the Term of this Agreement is as set forth above.

2-3. Each Principal Owner must sign the Owner's Guaranty and Assumption of Obligations that is attached as Exhibit 3.

EXHIBIT 3
OWNER'S GUARANTY AND ASSUMPTION OF OBLIGATIONS

In consideration of, and as an inducement to, the execution of the foregoing Franchise Agreement dated _____, 20___ ("Agreement") by and between ("us") and the Franchise Owner, _____ [insert name of franchisee], each of the undersigned owners of the Franchise Owner("you", for purposes of this Guaranty only), hereby personally and unconditionally (1) guarantees to us and our successors and assigns that the Franchise Owner will punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (2) agrees to be personally bound by, and personally liable for the prompt and full performance of, and any breach of, each and every provision in the Agreement, including without limitation, monetary obligations, the obligations to take or refrain from taking certain actions and arbitration of disputes.

Each of you waives (1) protest and notice of default, demand for payment or nonperformance of any obligations guaranteed by this Guaranty; (2) any right you may have to require that an action be brought against Franchise Owner or any other person as a condition of your liability; (3) all right to payment or reimbursement from, or subrogation against, the Franchise Owner which you may have arising out of your guaranty of the Franchise Owner's obligations; and (4) any and all other notices and legal or equitable defenses to which you may be entitled in your capacity as guarantor.

Each of you consents and agrees that (1) your direct and immediate liability under this Guaranty shall be joint and several; (2) you will make any payment or render any performance required under the Agreement on demand if Franchise Owner fails or refuses to do so when required; (3) your liability will not be contingent or conditioned on our pursuit of any remedies against Franchise Owner or any other person; (4) 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 Franchise Owner or to any other person, including without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims; (5) by signing this Agreement you are confirming that you are bound to the non-disclosure and non-competition provisions applicable to the Franchise Owner in Article 9 of the Agreement; and (6) this Guaranty will continue and be irrevocable during the Term of the Agreement and afterward for so long as the Franchise Owner has any obligations under the Agreement.

If we are required to enforce this Guaranty in a judicial or arbitration proceeding, and prevail in such proceeding, we will be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If we

are required to engage legal counsel in connection with any failure by you to comply with this Guaranty, you agree to reimburse us for any of the above-listed costs and expenses incurred by us.

This Guaranty is now executed as of the Agreement Date.

OWNER:

_____

OWNER:

_____

OWNER:

_____

EXHIBIT 4 TO THE DEGREE WELLNESS FRANCHISE AGREEMENT
LEASE RIDER

~~[TBD]~~

DEGREE WELLNESS FRANCHISE, LLC

LEASE ADDENDUM

THIS LEASE ADDENDUM (the "Lease Addendum") is made and entered into as of the _____ day of _____, 20___, by and between ("Landlord"), with its principal offices at and ("Franchisee" or "Tenant"), with its principal offices at , and Degree Wellness Franchise, LLC ("Franchisor") with its principal offices at 200 Riverside Ave., Jacksonville, FL 32202.

BACKGROUND

A. Degree Wellness Franchise, LLC, or its affiliates, and their successors or assigns ("Franchisor") franchises the operation of a studio, (each "Degree Wellness Studio" or "Studio") featuring innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise under the name Degree Wellness and/or other trademarks, service marks, logos, and other indicia of origin prescribed by Franchisor (collectively, the "Proprietary Marks").

B. Franchisee has acquired the right and has undertaken the obligation to develop and operate a Degree Wellness Studio pursuant to the terms and conditions of a certain franchise agreement between Franchisee and Franchisor ("Franchise Agreement").

C. Under the terms and conditions of the Franchise Agreement, Franchisor has the right to approve the site for the Studio; and if the Studio premises will be occupied pursuant to a commercial lease, Franchisor has prescribed certain lease terms and has the right to condition its approval of a proposed site on inclusion of the prescribed lease terms.

D. Franchisee desires, and has requested Franchisor's approval, to develop and operate one Degree Wellness Studio at the premises ("Premises") identified in the attached lease ("Lease").

E. Landlord desires to lease to Franchisee the Premises for purposes of developing and operating one Degree Wellness Studio.

F. The parties desire to modify and amend the Lease in accordance with the terms and conditions contained herein for purposes of obtaining Franchisor's approval.

NOW, THEREFORE, the parties, in consideration of the mutual undertakings and commitments of each party set forth herein, agree as follows:

1) During the term of the Franchise Agreement, the Premises will be used only for the operation of the Studio.

2) Landlord consents to Franchisee's use of such Proprietary Marks and signs, interior and exterior décor, furnishings, fixtures, items, color schemes, plans, specifications, and related components of Degree Wellness System (as defined in the Franchise Agreement and as Franchisor may prescribe for the Studio).

3) Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Franchisee.

4) Franchisor will have the right to enter onto the Business premises at any time, to make any modification or alteration necessary to protect Degree Wellness System and Proprietary Marks or to cure any default under the Franchise Agreement or under the Lease, without being guilty of trespass or any other crime or tort, and the Landlord will not be responsible for any expense or damages arising from Franchisor's action in connection therewith.

5) In the event of Franchisee's default under the terms of the Lease, Landlord shall promptly deliver notice of such default to Franchisor and shall offer Franchisor the opportunity to cure the default and to assume the Lease in Franchisor's name. If Franchisor elects to cure the default and assume the Lease, Franchisor, within 10 days of its receipt of notice from Landlord, shall notify Landlord of its intent to cure such default and to assume the Lease. If Franchisor elects to cure the default, it shall cure the default within 30 days of such election or, if the default cannot be reasonably cured within such 30-day period, then Franchisor will commence and proceed to cure the default within such time as is reasonably necessary to cure the default. If Franchisor elects to assume the Lease, Landlord agrees to recognize Franchisor as the tenant under the Lease and Franchisee will no longer have any rights there under.

6) Franchisee will be permitted to assign the Lease to Franchisor or its affiliates upon the expiration (without renewal) or earlier termination of the Franchise Agreement and the Landlord hereby consents to such assignment and agrees not to impose or assess any assignment fee or similar charge or accelerate rent under the Lease in connection with such assignment, or require Franchisor to pay any past due rent or other financial obligation of Franchisee to Landlord, it being understood that Landlord will look solely to the Franchisee for any rents or other financial obligations owed to Landlord prior to such assignment. Landlord and Franchisee acknowledge that Franchisor is not a party to the Lease and will have no liability under the Lease, unless and until the Lease is assigned to, or assumed by, Franchisor.

7) Except for Franchisee's obligations to Landlord for rents and other financial obligations accrued prior to the assignment of the Lease, in the event of such assignment, Franchisor or any affiliate designated by Franchisor will agree to assume from the date of assignment all obligations of Franchisee remaining under the Lease, and in such event Franchisor or any affiliate will assume Franchisee's occupancy rights, and the right to sublease the Premises, for the remainder of the term of the Lease. In the event of such assignment, neither Franchisor nor any affiliate will be required to pay to Landlord any security deposit.

8) Notwithstanding anything contained in this Lease, Franchisor is expressly authorized, without the consent of the Landlord, to assign the Lease, or to sublet all or a portion of Premises, to an authorized franchisee. If Franchisor elects to assign the Lease, the subtenant/franchisee shall expressly assume all of Franchisor's obligations under the Lease, and Franchisor shall be released of all obligations to Landlord under the Lease as of the date of assignment. If Franchisor elects to sublet the premises, such subletting shall be subject to the terms of this Lease, the subtenant/franchisee shall expressly assume all of Franchisor's obligations under the Lease, and Franchisor shall remain liable for the performance of the terms of this Lease. Franchisor shall notify Landlord as to the name of the subtenant/franchisee within 10 days after such assignment or subletting, as applicable.

9) Franchisee will not assign the Lease or renew or extend the term thereof without the prior written consent of Franchisor.

10) Neither Landlord nor Franchisee shall amend or otherwise modify the Lease in any manner that could materially affect any of the foregoing requirements without the prior written consent of Franchisor.

11) All notices hereunder shall be by certified mail to the addresses set forth above or to such other addresses as the parties hereto may, by written notice, designate. Notices required to be given to Franchisor shall be delivered to the following address: 200 Riverside Ave., Jacksonville, FL 32202.

12) This Lease Addendum shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.

13) The terms of this Lease Addendum will supersede any conflicting terms of the Lease.

IN WITNESS WHEREOF, the parties have executed this Lease Addendum as of the date first above written.

TENANT:

By:_____

LANDLORD:

By:_____

FRANCHISOR:

By:_____

EXHIBIT 5
ACH AGREEMENT

Degree Wellness Franchise, LLC
200 Riverside Ave., Jacksonville, FL 32202
734-619-0919

CHECKING ACCOUNT - DEBIT/CREDIT AUTHORIZATION

Please complete and sign the form below, attach a voided check and mail or fax to the following: Degree Wellness Franchise, LLC at (734) 619-0919

Doctor's Name _____

Name of Bank _____

Address of Bank _____

_____

Name on Checking Account:
(As it appears on your checks) _____

Address where Checking
Statement mailed _____

_____

BANK (ABA) ROUTING NUMBER: _____

CHECKING ACCOUNT NUMBER: _____

AUTHORIZATION:

I hereby authorize Degree Wellness Franchise, LLC and the financial institution listed above to debit/credit the account I have specified for payment of my monthly franchise fee incurred with Degree Wellness Franchise, LLC. I understand that a fee will be charged to my account for each request returned for non-sufficient funds. I understand and agree to allow Degree Wellness Franchise, LLC to debit or credit my account, as appropriate, if an adjustment is required for any reason. I understand that both the financial institution and Degree Wellness Franchise, LLC reserve the right to terminate this payment plan and/or my participation therein. I may elect to discontinue my enrollment in this plan at any time. If I so choose, I will provide written notice to Degree Wellness Franchise, LLC.

_____ _____ _____
Signature Date Phone

ATTACH VOID CHECK HERE

We cannot process this request without a voided check.
Deposit Slips are NOT acceptable.

EXHIBIT C

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

NOTICE: This Agreement is subject to binding arbitration – see Section 17.9.

DEVELOPMENT AGREEMENT

This Development Agreement ("**Agreement**") made effective as of _____ ("**Effective Date**") by and between Degree Wellness Franchise, LLC, a Delaware limited liability company with a business address at 200 Riverside Ave., Jacksonville, FL 32202 (the "**Franchisor**", "**we**", or "**us**",); and _____, a (resident of) (corporation organized in) (limited liability company organized in) _____with a business address at _____ (the "**Developer**", "**you**" or "**your**").

BACKGROUND

1. Through the expenditure of considerable time, effort and money, we and our affiliates have devised a system for the establishment and operation of a Degree Wellness business model that specializes innovative self-care solutions that leverage heat, cold, light and advanced nutrients to enhance physical and mental health, and offers related products and merchandise services together as a comprehensive solution for pain relief, restoration of function, wellness care and other related services and products (all of which we refer to in this Agreement as the "**System**").

2. The System includes procedures, specifications, techniques and procedures that we may designate for operating a franchised business. This business model includes a studio model offering all of our franchised services and products (individually, a "Studio" or "Studio," and collectively, the "Studios" or "Studios"). Subject to an additional fee, we also offer additional programs, products and services as more fully described herein, which additional programs, products and services may change from time to time.

3. The System and Studios are identified by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the mark "Degree Wellness", and such other trade names, service marks, and trademarks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "**Marks**"). The parties agree and acknowledge that Franchisor has established substantial goodwill and business value in its Marks, expertise, and System.

4. Franchisor grants qualified third parties the right to develop a certain number of Studios within a defined site selection area (the "**Site Selection Area**") in accordance with the terms of this Agreement to which Developer must be strictly adhere, with each Studio within the Site Selection Area being opened and operating utilizing the Marks and System pursuant to the terms and conditions set forth in a separate form of Franchisor's then-current form of franchise agreement (each, a "**Franchise Agreement**").

5. Developer recognizes the benefits from receiving the right to operate a Studio utilizing the System and desires to: (i) become a multi-unit operator subject to the terms of this Agreement; and (ii) receive the benefits provided by Franchisor under this Agreement.

6. Developer has applied for the right to open and operate a certain number of Studios within the Site Selection Area as set forth in this Agreement (each, a "Studio"), and Franchisor has approved such application in reliance on Developer's representations made therein.

7. Developer hereby acknowledges that adherence to the terms of this Agreement, including Franchisor's operations manual and other System standards and specifications, are essential to the operation of all Studios and the System as a whole.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Site Selection Area; Development Schedule and Obligations. Subject to the terms and

conditions set forth herein, Franchisor grants Developer the right, and Developer undertakes the obligation, to develop and establish _____ Studios within the Site Selection Area defined in the Data Sheet attached hereto as Attachment A (the "**Data Sheet**"), provided Developer opens and begins operations of such Studios in strict accordance with the mandatory development schedule also set forth in the Data Sheet (the "**Development Schedule**") and otherwise subject to the terms and conditions set forth herein. The parties agree and acknowledge that Developer shall not have any exclusive territorial rights within the Site Selection Area.

2. Development Fee. Developer shall pay Franchisor a development fee equal to $_____ (the "**Development Fee**") for the right to develop the foregoing Studios within the Site Selection Area under this Agreement. The Development Fee is fully earned upon payment and is not refundable under any circumstances; and payable to Franchisor immediately on Developer's execution of this Agreement.

2.1 The parties agree and acknowledge that the Development Fee is comprised of the franchise fee payable in connection with: (i) the initial Studio that Developer is granted the right to open within the Site Selection Area under this Agreement (the "**Initial** Studio"); and (ii) each additional Studio that Franchisor has granted Developer the right to open hereunder (each, an "**Additional Studio**").

3. Initial Franchise Agreement. Contemporaneously with the execution of this Agreement, Developer must enter into Franchisor's current form of Franchise Agreement for the Initial Studio that Developer is required to open within the Site Selection Area. In the event Developer is a business entity of any kind, then Developer's principals/owners must each execute the form of personal guaranty attached to the foregoing Franchise Agreement, as well as any additional Franchise Agreements described in Section 4 of this Agreement.

4. Additional Franchise Agreements. Developer agrees and acknowledges that it must: (i) enter into Franchisor's then-current form of Franchise Agreement for each Additional Studio that Developer is required to open under this Agreement; and (ii) enter into such Franchise Agreements at such times that are required for Developer to timely meet, and strictly adhere to, its obligations under the agreed upon Development Schedule.

5. Development Obligations. Developer must ensure that, at a minimum, Developer: (i) opens and commences operations of the number of new Studios during each of the development periods defined in the Development Schedule (each, a "**Development Period**"); and (ii) has the minimum cumulative number of Studios open and operating at the expiration of each such Development Period. The parties agree and acknowledge that time is of the essence with respect to the foregoing development obligations, and that Developer's failure to comply with the Development Schedule in any manner with respect to any Development Period is grounds for immediate termination of this Agreement if not timely cured as set forth in Section 6.2 of this Agreement (and any future development rights granted hereunder).

6. Term and Termination.

6.1 This Agreement will begin on the Effective Date and, unless earlier terminated by Franchisor, will expire on the earlier of: (i) the last day of the calendar month that the final Studio is required to be opened and operating under the Development Schedule; or (ii) the date Developer actually opens the last Studio that Developer is granted the right to open under this Agreement. Upon expiration or termination of this Agreement for any reason, Developer will not have any territorial rights other than those that might be granted in connection with a "Protected Territory" associated with a Studio that Developer has opened and begun operating as of the date this Agreement is terminated or expires (if and as such rights are granted by Franchisor under the respective Franchise Agreement(s) that Developer entered into for such Studios).

6.2 Franchisor will have the right, at its option, to terminate this Agreement and all rights granted to Developer hereunder, without affording Developer any opportunity to cure such default, effective upon written notice to Developer, upon the occurrence of any of the following events: (i) if

Developer ceases to actively engage in development activities in the Site Selection Area or otherwise abandons its development business for three consecutive months, or any shorter period that indicates an objective intent by Developer to discontinue development of the Studios within the Site Selection Area; (ii) if Developer becomes insolvent or is adjudicated bankrupt, or if any action is taken by Developer, or by others against the Developer, under any insolvency, bankruptcy or reorganization act, or if Developer makes an assignment for the benefit of creditors or a receiver is appointed by the Developer; (iii) if Developer fails to meet its development obligations under the Development Schedule for any single Development Period, and fails to cure such default within 30 days of receiving notice thereof; and (iv) if any Franchise Agreement that is entered into in order to fulfill Developer's development obligations under this Agreement is terminated or subject to termination by Franchisor, pursuant to the terms of that Franchise Agreement.

7. Reservation of Rights. Except as provided in Section 1 of this Agreement, the parties agree and acknowledge that the rights granted in this Agreement are non-exclusive and that Franchisor and its affiliates reserve all other rights not expressly granted to Developer herein.

8. Sale or Assignment. Developer's rights under this Agreement are personal and Developer may not sell, transfer, or assign any right granted herein without Franchisor's prior written consent, which may be withheld in its sole discretion. Notwithstanding, if Developer is an individual or a general partnership, Developer has the right to assign its rights under this Agreement to a corporation or limited liability company that is wholly owned by Developer according to the same terms and conditions as provided in Developer's initial Franchise Agreement. Franchisor has the right to assign this Agreement in whole or in part in its sole discretion.

9. Acknowledgment. Developer acknowledges that this Agreement is not a Franchise Agreement and does not confer upon Developer any rights to use the Franchisor's Marks or System.

10. Notices. All notices, requests and reports to be given under this Agreement are to be in writing, and delivered by either hand, overnight mail via recognized courier such as UPS or FedEx, or certified mail, return receipt requested, prepaid, to the addresses set forth above (which may be changed by written notice).

11. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without reference to this state's conflict of laws principles.

12. Internal Dispute Resolution. Developer must first bring any claim or dispute between Developer and Franchisor to Franchisor's management, after providing Franchisor with notice of and a reasonable opportunity to cure an alleged breach hereunder. Developer must exhaust this internal dispute resolution procedure before bringing a dispute before a third party. This agreement to first attempt resolution of disputes internally will survive termination or expiration of this Agreement.

13. **ARBITRATION**.

a. Agreement to Arbitrate. Except insofar as we elect to enforce this Agreement or to seek temporary or permanent injunctive relief as provided above, all controversies, disputes or claims arising between us, our affiliates, and our and their respective owners, officers, directors, agents, and employees (in their representative capacity) and you (and your Principal Owners and guarantors) arising out of or related to: (1) this Agreement, any provision thereof, or any related agreement (except for any lease or sublease with us or any of our affiliates); (2) the relationship of the parties hereto; (3) the validity of this Agreement or any related agreement, or any provision thereof; or (4) any specification, standard or operating procedure relating to the establishment or operation of the Franchise, shall be submitted for arbitration to be administered by the office of the American Arbitration Association.

b. Place and Procedure. Such arbitration proceedings shall be conducted in Duvall County, Florida, and, except as otherwise provided in this Agreement, shall be conducted in accordance with then current commercial arbitration rules of the American Arbitration Association, and the arbitration hearing

shall be conducted before a single arbitrator, not a panel.

c. Costs of Arbitration. You and we acknowledge and agree that neither party shall be permitted to bring or maintain any actions, claims or counter-claims against the other party in any arbitration proceeding unless the party asserting such action, claim or counterclaim timely pays all costs and fees charged to it by the American Arbitration Association and one-half of all charges and fees of the designated arbitrator for the proceeding, as and when billed. In the event a party fails to pay all costs and fees charged to it by the American Arbitration Association and one-half of all charges and fees of the designated arbitrator for the proceeding, as and when billed, the arbitrator is directed to dismiss any actions, claims or counter-claims brought by such party in the arbitration.

d. Awards and Decisions. The arbitrator shall have the right to award or include in his award any relief that he or she deems proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from date due), specific performance, injunctive relief (including permanent, temporary, and preliminary injunctive relief), attorneys' fees, and costs. The award and decision of the arbitrator shall be conclusive and binding on all parties to this agreement, and judgment on the award may be entered in any court of competent jurisdiction, and each such party waives any right to contest the validity or enforceability of such award.

e. Arbitration Discovery. Discovery under the arbitration will be limited to the following for each side: (i) three depositions totaling 12 hours; (ii) six interrogatories each consisting of no more than 12 questions (with no subparts); and (iii) three document requests. The discovery may also be limited in any other manner as specified by the arbitrator, who will limit discovery to the greatest extent possible consistent with basic fairness.

f. Survival; Third Parties. The provisions of this Section 13 are intended to benefit and limit third party non-signatories so that they are bound hereby and will continue in full force and effect subsequent to, and notwithstanding expiration or termination of, this Agreement.

g. No Class Action or Consolidation. You and we agree that any such arbitration shall be conducted on an individual, not a joint or class-wide basis, and shall not be consolidated with any other arbitration proceeding.

h. Internal Mediation Prior to Arbitration. Except insofar as we elect to enforce this Agreement or to seek temporary or permanent injunctive relief as provided in Section 14 of this Agreement, before either party commences an arbitration under this Section, the parties agree that, as a condition precedent to the filing or commencement of any arbitration, they will attempt to resolve any dispute through internal mediation between the parties to be conducted in a mutually agreeable location or, if no such location is agreed upon within 10 days after a request for mediation, then at our corporate headquarters. In the event that no settlement or resolution between the parties can be reached through internal mediation within thirty (30) days following the date on which a written request for internal mediation is made by any party, such dispute shall be submitted for arbitration pursuant to this Section. "Internal mediation" shall consist of, among other things, the parties having reasonable business discussions, whether by telephone or in person, concerning the dispute and means of resolving the same.

14. **Specific Performance; Injunctive Relief; Liquidated Damages**.

a. Equitable Remedies. Provided we give you the appropriate notice, we will be entitled, without being required to post a bond, to the entry of temporary and permanent injunctions and orders of specific performance to (1) enforce the provisions of this Agreement relating to your use of the Marks and non-disclosure, non-solicitation, non-disparagement, and non-competition obligations under this Agreement and any Restrictive Covenants Agreement signed by a General Manager; (2) prohibit any act or omission by you or your employees that constitutes a violation of any applicable law, ordinance, or regulation; constitutes a danger to the public; or may impair the goodwill associated with the Marks or Degree Wellness franchises; or (3) prevent any other irreparable harm to our interests. If we obtain an

injunction or order of specific performance, then you shall pay us an amount equal to the total of our costs of obtaining it, including without limitation reasonable attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, and any damages we incur as a result of the breach of any such provision. You further agree to waive any claims for damage in the event there is a later determination that an injunction or specific performance order was issued improperly.

b. Liquidated Damages. You agree that precise damages are difficult to calculate for a breach or violation of the provisions of Section 9 of this Agreement. Therefore, if you breach or violate Section 9 of this Agreement it is agreed that we would suffer actual damages of at least Fifty Thousand Dollars. In addition to any liquidated damages permitted herein, you must pay to us any and all actual damages in excess of the liquidated amount, plus all attorneys' fees incurred by us as a direct or indirect result of any breach or violation of this Agreement.

15. Jurisdiction and Venue. You agree that the venue for any action arising out of or relating to this Agreement (which is not required to be arbitrated hereunder or as to which arbitration is waived) shall be in any state or federal court of general jurisdiction in Duvall County, Florida, unless otherwise mutually agreed by the parties in writing, and you irrevocably submit to the jurisdiction of such courts and waive any objection you may have to either the jurisdiction or venue of such court.

16. Third Party Beneficiaries. Franchisor's officers, directors, shareholders, agents and/or employees are express third party beneficiaries of this Agreement and the dispute resolution procedures contained herein, including without limitation, the right to specifically utilize and exhaust the mediation procedure with respect to any and all claims asserted against such person(s) by Developer or its principals.

17. 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 WILL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS DESCRIBED HEREIN.

18. WAIVER OF CLASS ACTIONS. THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE SALE OF THE FRANCHISED BUSINESS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD PARTY.

19. Waiver of Punitive Damages. Developer waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) which Developer may have against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agree that in the event of a dispute, Developer's recovery will be limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

20. Attorneys' Fees. If either party institutes any arbitration, judicial, or mediation proceeding to enforce any monetary or nonmonetary obligation or interpret the terms of this Agreement and Franchisor prevails in the action or proceeding, Developer will be liable to Franchisor for all costs, including reasonable attorneys' fees and court costs, incurred in connection with such proceeding.

21. Nonwaiver. Franchisor's failure to insist upon strict compliance with any provision of this

Agreement will not be a waiver of Franchisor's right to do so, any law, custom, usage or rule to the contrary notwithstanding. Delay or omission by Franchisor respecting any breach or default will not affect Franchisor's rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Agreement will be cumulative. Franchisor's election to exercise any remedy available by law or contract will not be deemed a waiver or preclude exercise of any other remedy.

22. Severability. The parties agree that if any provisions of this Agreement may be construed in two ways, one of which would render the provision illegal or otherwise voidable or unenforceable and the other which would render it valid and enforceable, such provision will have the meaning, that renders it valid and enforceable. The provisions of this Agreement are severable, and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein, and partially valid and enforceable provisions will be enforced to the extent that they are valid and enforceable. If any material provision of this Agreement will be stricken or declared invalid, the parties agree to negotiate mutually acceptable substitute provisions. In the event that the parties are unable to agree upon such provisions, Franchisor reserves the right to terminate this Agreement.

23. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as Developer, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

24. Persons Bound. This Agreement shall be binding on the parties and their respective successors and assigns. Each direct and indirect individual and entity owner of Developer ("**Owner**") shall execute the Personal Guaranty and Undertaking attached as Attachment B. Failure or refusal to do so shall constitute a breach of this Agreement. You and each Owner shall be joint and severally liable for each person's obligations hereunder and under the Personal Guaranty and Undertaking.

24. Successors. References to "Franchisor" or "Developer" include the respective parties' successors, assigns or transferees, subject to the limitations of Section 8 of this Agreement.

25. Additional Documentation. Developer must from time to time, subsequent to the date first set forth above, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreements and take such other action as Franchisor may reasonably require in order to effectuate the transactions contemplated in this Agreement. In the event that Developer fails to comply with the provisions of this Section, Developer hereby appoints Franchisor as Developer's attorney-in-fact to execute any and all documents on Developer's behalf, as reasonably necessary to effectuate the transactions contemplated herein.

26. No Right to Offset. Developer may not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of the alleged nonperformance of Franchisor or any of its affiliates or as an offset against any amount Franchisor or any of its affiliates may owe or allegedly owe Developer under this Agreement or any related agreements.

27. Entire Agreement. This Agreement contains the entire agreement between the parties concerning Developer's development rights within the Site Selection Area; no promises, inducements or representations (other than those in the Franchise Disclosure Document) not contained in this Agreement have been made, nor will any be of any force or effect, or binding on the parties. Modifications of this Agreement must be in writing and signed by both parties. Franchisor reserves the right to change Franchisor's policies, procedures, standards, specifications or manuals at Franchisor's discretion. In the event of a conflict between this Agreement and any Franchise Agreement(s), the terms, conditions and intent of this Agreement will control. Nothing in this Agreement, or any related agreement, is intended to disclaim any of the representations Franchisor made to Developer in the Franchise Disclosure Document that Franchisor provided to Developer.

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HERETO HAVE CAUSED THIS AGREEMENT TO BE EXECUTED EFFECTIVE THE DATE FIRST SET FORTH ABOVE.

FRANCHISOR	**DEVELOPER**
DEGREE WELLNESS FRANCHISE, LLC	**ENTITY**
By: _____	By: _____
Date: _____	Date: _____

ATTACHMENT A
TO DEVELOPMENT AGREEMENT

DATA SHEET

1. Site Selection Area. The Site Selection Area, as referred to in Section 1 of the Development Agreement, is described below (or an attached map) by geographic boundaries and will consist of the following area or areas: _____

_____

_____

2. Development Schedule. The Development Schedule referred to in Section 5 of the Development Agreement is as follows:

Expiration of Development Period (each, a "Development Period")	No. of New Studios Opened Within Development Period	Cumulative No. of Studios that Must Be Open and Operating
12 Months from Effective Date	1	1
Months 13 through 24 of the Development Agreement	1	2
Months 24 through 36 of the Development Agreement	1	3

FRANCHISOR

DEGREE WELLNESS FRANCHISE, LLC

By: _____
NAME, TITLE

Date: _____

DEVELOPER

By: _____

Date: _____

ATTACHMENT B
TO DEVELOPMENT AGREEMENT

PERSONAL GUARANTY AND UNDERTAKING

THIS PERSONAL GUARANTY AND UNDERTAKING is given this date of _____, by each of the undersigned below (each a "**Guarantor**").

In consideration of, and as an inducement to, the execution of that certain Development Agreement of even date (the "**Development Agreement**") by Degree Wellness Franchise, LLC (the "**Franchisor**"), and with _____ ("**Developer**"), each Guarantor hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Development Agreement and as provided in the Development Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Development Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Development Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, as though each were the Developer under the Development Agreement.

Each Guarantor hereby waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right Guarantor may have to require that an action be brought against Developer or any other person as a condition of liability; and (5) the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed.

Each Guarantor hereby consents and agrees that: (1) such Guarantor's undertaking shall be direct, immediate and independent of the liability of, and shall be joint and several with, Developer and any other Guarantors; (2) Guarantor shall render any payment or performance required under the Development Agreement upon demand if Developer fails or refuses punctually to do so; (3) Guarantor's liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; (4) Guarantor's liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Developer or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Development Agreement; (5) this undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Developer or any assignee or successor of Developer or by any abandonment of the Development Agreement by a trustee of Developer; (6) neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Developer or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency; (7) Franchisor may proceed against Guarantor and Developer jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Developer; and (8) Guarantor shall pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or

any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

IN WITNESS WHEREOF, each Guarantor has executed this Guaranty and Assumption of Obligations as of the date set forth above.

GUARANTOR(S):

_____

Guarantor

_____

Guarantor

_____

Guarantor

EXHIBIT D

OPERATIONS MANUAL TABLE OF CONTENTS

Degree Wellness Confidential Franchise Operations Manual
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Total pages:165

EXHIBIT E

LIST OF DEGREE WELLNESS FRANCHISEES

Studio Franchisees

As of December 31, ~~2023~~2024, the end of our fiscal year, we had the following Studio franchisees. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Franchisees with Outlets Open

None

Franchisees with Franchise Agreements Signed but Outlet Not Opened

Owner	Street Address	City	ST	Zip	Phone
Susan McClurg	10904 Lee Rd. 54	Auburn	AL	36830	205-332-7533
Michele Pitek*	29503 North 139th Steet	Scottsdale	AZ	85262	925-260-5146
Lauren Adams*	7057 Brunswick Circle	Boynton Beach	FL	33472	561-245-0897
Kristen Scruggs*	1248 Hollow Pine Dr.,	Oviedo	FL	32765	407-490-8390
Kristen Taylor*	1328 SE 7th Court	Deerfield Beach	FL	33441	954-647-3256
Michael Thomaston	110 Winter Club Ct.	Palm Beach Gardens	FL	33410	561-764-7111
Mitchell Wilson	275 Riverside Dr.	Ormond Beach	FL	32176	904-814-9641
Thomas Zemaitis*	100 NW 69th Circle, Unit 113	Boca Raton	FL	33487	305-318-9477
Parimal Patel*	6005 Thoroughbred Way	Suwanee	GA	30024	205-915-8782
Parth Patel*	4410 Kirkwell Rd.	Cumming	GA	30041	908-240-4234
Rajan Bhavnani*	12535 Sandstone Run	Carmel	IN	46033	317-797-1542
Amit Mahajan*	1426 Cherry Laurel Dr	Waxhaw	NC	28173	470-680-9259
Danny Ray Williams*	2511 Stafford Ave	Raleigh	NC	27607	919-291-8421
Thomas C. Gwydir	30 Highland Ave.	Monmouth Beach	NJ	07750	615-428-7233
Robert T. Floyd*	180 Ox Yoke Lane	Reno	NV	89521	775-240-7192
Dana Jean Olsen	8124 Indego Gully Court	Las Vegas	NV	89143	702-349-4497
Heather White*	2764 North Green Valley Pkwy #476	Henderson	NV	89014	619-857-8583
Nita Teimouri**	2568 Racher Dr.	Powell	OH	43065	773-715-7919
David Pearson*	739 Pebble Hill Rd.	Doylestown	PA	18901	267-463-6268
Daniel Scherling*	110 Colwyn Rd.	Pittsburgh	PA	15237	412-427-0942
Tom Florence*	7231 Stefani Dr.	Dallas	TX	75225	214-223-0693
Sukhraj Sohal	909 Ponds Edge Lane	Euless	TX	76040	469-989-0599
Jaison Thomas*	5514 Priamus Dr.	Missouri City	TX	77459	832-423-3483
Michael Terry	213 West Bridger Lane	Washington	UT	84780	208-221-8573

*These franchisees are also multi-unit developers.
**These franchisees acquired territory outside their state of residence

Former Studio Franchisees

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. The following Studio Franchisees were cancelled, terminated or voluntarily or involuntarily ceased to do business in the ~~2023~~2024 fiscal year, or have not communicated with us within 10 weeks of the issuance date of this disclosure document:

None

EXHIBIT F
SAMPLE MANAGEMENT ~~AGREEMENT~~AGREEMENTS

EXHIBIT F-1

SAMPLE STUDIO MANAGEMENT AGREEMENT

[SUBJECT TO COMPLETION PER APPLICABLE LAW]

STUDIO MANAGEMENT AGREEMENT

This Studio Management Agreement (the "Agreement"), made to be effective as of _____, by and between *[the Degree Wellness Franchisee]*, which with its successors and assigns is herein called "Management Company", and *[the professional corporation]*, which with its successors and assigns is herein called "Licensed Provider", is to EVIDENCE THAT:

WHEREAS, Management Company has entered into a Franchise Agreement (the "Franchise Agreement") with Degree Wellness, LLC ("Degree Wellness"), dated as of the date of this Agreement, whereby Degree Wellness grants to Management Company a franchise (the "Franchise") to operate a Studio Management Business and the right to use Degree Wellness's business model, services and products (the "System") and Marks (as defined in Section 4.2 below);

WHEREAS, Licensed Provider desires to provide health and wellness services utilizing Degree Wellness's System and Marks, and Licensed Provider requires the provision of certain management, administrative, and similar services; and

WHEREAS, Management Company and Licensed Provider desire to enter into an arrangement under the terms and conditions stated in this Agreement whereby Management Company can provide (or cause to be provided) certain management, administrative and similar services requested by Licensed Provider and whereby Licensed Provider can provide health and wellness services using the System and Marks at the Licensed Provider's Studio business, which may be carried out directly by the Licensed Provider or through an entity authorized to carry out such business (the "Studio").

NOW, THEREFORE, in consideration of the foregoing statements and the mutual covenants and promises made in this Agreement and for other valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Management Company and Licensed Provider (herein collectively called the "Parties" and individually called a "Party") hereby agree as follows:

1. Agreement Term.

1.1 The initial term of this Agreement shall commence as of the date first written above and continue until _____ *[end of Franchise Agreement Initial Term],* unless terminated or renewed as provided in this Agreement.

1.2 This Agreement will automatically renew for additional one (1) year periods following the end of the initial term unless Management Company or Licensed Provider provides written notice of non-renewal at least 60 days prior to the end of the initial term or current renewal term.

1.3 The initial term and any renewal terms are referred to herein as the "Agreement Term."

2. Management Company Responsibilities.

2.1 For purposes of this Agreement, the phrase "Management Company Services" specifically includes the following, except to the extent any of the foregoing would constitute Studio Services (as defined in Section 3.1 below): *[Subject to change in order to comply with applicable law]*

(a) Acquiring the site for Management Company and Licensed Provider to provide their respective services for the operation of the Studio under this Agreement (the "Premises"). The Premises shall comply in all respects with Degree Wellness's System requirements. Management Company shall perform all tenant responsibilities under the lease agreement for the Premises (or similar responsibilities if Management Company owns the Premises), including, but not limited to, paying rent, acquiring and maintaining connections to utilities, phone and internet services, and performing, or causing to be performed, maintenance, repair, replacement, and janitorial services;

(b) Acquiring all fixtures, equipment, and furnishings necessary for the operation of a Degree Wellness Studio Management Business and the operation of the Studio, and maintaining, repairing, and replacing such fixtures, equipment, and furnishings;

(c) Developing and implementing a business plan for the Studio and managing the operational workflow of the Studio business, specifically, scheduling patient appointments and responding to patient inquiries, determining fees charged for the provision of supplies and devices to patients, assisting the Licensed Provider in the billing and the collection of fees payable for Licensed Provider's provision of the Studio Services, devices, and supplies to patients pursuant to Section 3.1(c), arranging for participation in discount medical plan organizations, including collection of fees from third-party payors, and maintaining patient records, including the confidentiality thereof, under the direction of Licensed Provider, pursuant to Section 3.1(d) below;

(d) Providing office management for the Studio, including purchasing supplies (including office, health and wellness supplies), computer and peripherals, practice management software, off-the-shelf software, general secretarial services, answering telephones and responding to emails and facsimiles, and procuring uniforms;

(e) Hiring, training, scheduling, supervising and managing all administrative and office staff of the Studio Management Business and the Studio, as applicable, and ensuring that the Studio Management Business and Studio business are sufficiently and adequately staffed; provided, however, that Licensed Provider, and not Management Company, shall be solely responsible for assigning and supervising staff for purposes of providing the Studio Services;

(f) Administering payroll and all insurance and fringe benefit plans of Licensed Provider and any employees of Licensed Provider;

(g) Billing and collecting fees charged by Licensed Provider for the Studio Services, or for other goods or services sold at or through the Studio, in compliance with all laws and regulations and all requirements under third party payor contracts and requirements, depositing payments made by patients and third party payors to the Studio into a bank account meeting Management Company's requirements (the "Licensed Provider Account");

(h) Performing all bookkeeping and accounting for the Studio Management Business and the Studio operations, including maintaining records, preparing any required financial reports, billing and collection of expenses, preparing and filing all federal, state, and local sales, payroll,

and business tax returns of the Studio Management Business and Studio/Licensed Provider, except such fees which shall remain the responsibility of Licensed Provider pursuant to Section 3.1(e);

(i) Managing and establishing advertising, promotions, and marketing programs for the Studio, subject to Licensed Provider's confirmation as to compliance with applicable laws, rules and regulations;

(j) Obtaining and managing Licensed Provider's malpractice insurance and other necessary insurance coverages set forth in Section 8, including the payment of applicable premiums and deductibles; and

(k) Applying funds transferred to it from the Licensed Provider Account to pay the designated operating expenses of the Studio.

2.2 During the Agreement Term, Management Company shall provide Licensed Provider the Management Company Services in compliance with the terms and conditions set forth in this Agreement and the Franchise Agreement, and all applicable laws, rules and regulations. Licensed Provider hereby grants to Management Company the right and authority, and designates Management Company as its attorney-in-fact, to sign all documents on behalf of Licensed Provider to the extent necessary to provide the Management Company Services to Licensed Provider hereunder and to perform Management Company's duties and obligations under this Agreement.

3. <u>Licensed Provider Responsibilities</u>.

3.1 During the Agreement Term, Licensed Provider shall provide the Licensed Provider Services in compliance with the terms and conditions set forth in this Agreement and all applicable laws, rules and regulations. For purposes of this Agreement, the phrase "Licensed Provider Services" specifically includes the following: *[Subject to change in order to comply with applicable law]*

(a) Performing all heath care (as such term is defined by applicable state laws and regulations) and related services at the Studio (collectively, the "Studio Services"). Licensed Provider shall devote his/her best efforts to the Studio business and shall provide, and create billing and coding records for, the Studio Services, and any additional services required by the Management Company, in a professional manner, in compliance with all laws, rules and regulations, applicable System requirements, all requirements under third party payor contracts, and the generally accepted standards of care for the area in which the Premises is located;

(b) Maintaining at all times during the Agreement Term all licenses, certifications and accreditations necessary to provide the Studio Services, including obtaining any additional licenses, certifications and accreditations and complying with all continuing education requirements required to remain in good standing with applicable state boards;

(c) Causing the money in the Licensed Provider Account to be transferred at the end of each day into Management Company's operating account, and granting Management Company such rights as are necessary for Management Company to have access to all information regarding the Licensed Provider Account and to cause funds to be transferred on a daily basis as provided above;

(d) Maintaining patient contact, payment, health, billing and coding records (the "Patient Records"), including the confidentiality thereof, in compliance with all applicable laws, rules and regulations, and granting Management Company access to the Patient Records for

performance of Management Company's Management Company Services pursuant to a HIPAA Business Associate Agreement in the form provided by Management Company, so long as such access is not prohibited by law. At all times during the Agreement Term, the Patient Records shall remain the property of the Licensed Provider;

(e) Reviewing and approving all marketing and advertising material and promotions for compliance with applicable laws, rules and regulations; and

(f) Paying all other necessary fees and charges that are not the responsibility of Management Company pursuant to Section 2 above and that are approved by Management Company, specifically including Licensed Provider's salary and fringe benefits (and, if applicable, the Studio's employees' salary and wages and fringe benefits), the Studio's payroll taxes and other withholding items, and Licensed Provider's and/or the Studio's income taxes.

3.2 Licensed Provider agrees that during the term of this Agreement, it will not obtain from any third parties any services that are the same as, or similar to, the Management Company Services.

3.3 All payments received by Licensed Provider for the provision of the Licensed Provider Services is assigned and belongs to Management Company, including any such payments arising from intellectual property, inventions, and teaching revenues created or carried out by Licensed Provider in the course of performing the Licensed Provider Services.

4. Grant of Limited Rights to Licensed Provider.

4.1 Management Company hereby grants Licensed Provider a revocable, non-assignable license to use the Premises, and all fixtures, equipment, and furnishings located therein, during the Agreement Term. The license to use the Premises granted by this Section 4.1 is not a lease or sublease of the Premises and this Agreement shall not be interpreted to create a landlord and tenant relationship between Management Company (or the owner of the Premises) and Licensed Provider or to give Licensed Provider any right to continued use, possession or occupancy of the Premises, except to the extent expressly stated in this Agreement. This license shall be deemed to end automatically upon the termination of this Agreement. Licensed Provider shall use all fixtures, equipment and furnishings granted by this Section 4.1 in the manner in which they are intended and in compliance with all rules and requirements of Management Company and, if applicable, its landlord; provided, however, that in all cases Licensed Provider shall have the discretion and authority to use such fixtures, equipment and furnishings to provide Studio Services only as deemed necessary or advisable by Licensed Provider in his/her discretion. Licensed Provider shall return to Management Company the Premises, fixtures, equipment, and furnishings in the same condition, reasonable wear and tear excepted, as they were in as of the date of this Agreement.

4.2 With the prior consent of Degree Wellness, Management Company hereby grants Licensed Provider a revocable, non-assignable and non-exclusive sub-license to use certain identifying trade and service marks, names, service marks and other commercial symbols, including the marks "d" (stylized) and "DegreeWellness" and certain associated designs, artwork, and logos (as may be changed by Degree Wellness from time to time, the "Marks"), as well as certain System materials, forms, intellectual property and décor items, during the Agreement Term. Licensed Provider hereby agrees to use the Marks in accordance with all applicable laws, rules and regulations, in accordance with the rules and requirements of Degree Wellness, and under

the direction of Management Company. Licensed Provider acknowledges and agrees that it has no right, title or interest in or to the Marks, or any System materials, forms, intellectual property and décor items, and that Degree Wellness is the sole owner thereof. This license shall be deemed to end automatically upon the termination of this Agreement.

4.3 Licensed Provider shall not assign any of its rights to use the Premises, the Marks, the System, or any other items licensed to Licensed Provider pursuant to Section 4 of this Agreement to any third party, and Licensed Provider shall not create or cause to be created any lien or encumbrance on the Premises, the Marks, the System, or any other licensed item identified in this Section 4.

5. Fees and Other Charges for Management and Administrative Services.

5.1 In consideration for Management Company's performance of the Management Company Services and the grant of the licenses and sub-license set forth in Section 4, Licensed Provider hereby agrees to pay Management Company a management fee (herein called the "Management Fee"), which shall be the amount equal to the Gross Revenues of the Studio Management Business remaining after subtracting costs associated with Licensed Provider's salary and fringe benefits (and, if applicable, the Studio's employees' salary and wages and fringe benefits) as approved by Management Company, the Studio's payroll taxes and other withholding items, and any other Studio operating costs incurred by the Studio in accordance with this Agreement.

(a) As used herein "Gross Revenues" shall mean the total of all revenue and receipts derived from the operation of the Studio, including all amounts received at or away from the site of the Studio or through the business the Studio conducts (such as fees for Studio Services, fees for the sale of any other services, gift certificate sales, and revenue derived from products sales, whether paid in cash or by check, credit card, or debit card, or other credit transactions); and excludes only sales taxes collected from patients and paid to the appropriate taxing authority, and any patient refunds and credits the Studio actually makes.

5.2 The Management Fee shall be paid to Management Company from the money transferred each day from Licensed Provider's Account into Management Company's operating account pursuant to Section 3.1(c).

5.3 The Management Fee, or any other fees due and payable under this Agreement, are not intended to be, and shall not be interpreted to be, payment for the referral of patients or recommendation of a referral of patients from Management Company to Licensed Provider or from Licensed Provider to Management Company.

6. Representations and Warranties.

6.1 Licensed Provider hereby makes the following representations and warranties:

(a) Licensed Provider (or, if Licensed Provider is an entity, all owners, members, or individuals employed of/by Licensed Provider who will be providing the Studio Services under this Agreement) is not a party to any agreement or instrument that would prevent Licensed Provider from entering into or performing Licensed Provider's duties in any way under this Agreement. Licensed Provider and/or its authorized employees are duly licensed and in good

standing to provide the Studio Services in the state in which the Premises is located, and will remain licensed and in good standing at all times during the Agreement Term;

(b) If Licensed Provider is an entity, this Agreement has been authorized by all necessary corporate action of Licensed Provider, and is a valid and binding agreement of Licensed Provider enforceable in accordance with its terms, and the individual signing on behalf of Licensed Provider is duly authorized to enter into and executed this Agreement; and

(c) Licensed Provider shall immediately disclose to Management Company in writing as soon as is possible after, but in any case within 5 days of, (1) the commencement of any action, suit, or proceeding, and/or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental unit (including regulatory boards or professional groups), that may adversely affect Licensed Provider and/or the Studio's operation, financial condition, or reputation, including, without limitation, any and all claims of malpractice brought against Licensed Provider or any person affiliated with Licensed Provider, regardless of the nature of the claim, anticipated outcome or remedies sought; and/or (2) Licensed Provider's receipt or knowledge any notice of violation of any law, ordinance, or regulation relating to health or safety.

6.2 Management Company hereby makes the following representations and warranties:

(a) This Agreement has been authorized by all necessary corporate action of Management Company, and is a valid and binding agreement of Management Company enforceable in accordance with its terms, and the individual signing on behalf of Management Company is duly authorized to enter into and executed this Agreement; and

(b) The Franchise Agreement is in full force and effect and Degree Wellness has been provided with a true, correct and complete copy of this Agreement and has approved it as to form and content (provided, however, that Licensed Provider and Management Company acknowledge and agree that such consent does not mean Degree Wellness has reviewed or approved the legality of this Agreement with respect to applicable state or local laws governing Licensed Provider or agreements of this nature).

6.3 The Parties expressly acknowledge and agree that Management Company makes no express or implied warranties regarding the quality of Management Company Services rendered to Licensed Provider under this Agreement, or with respect to the income or profit to be earned by Licensed Provider or the Studio.

7. Practice of Medicine.

7.1 Notwithstanding anything to the contrary in this Agreement, Licensed Provider shall have exclusive authority and control, and be free to exercise his/her professional judgment, over the Studio Services and the practice of medicine at the Studio, including all treatments, diagnosis, policies, and ethical determinations which are required to be decided by a licensed provider. Licensed Provider shall further have the discretion and authority to choose which medical equipment and devices are used in connection with providing the Studio Services; provided, however, that Licensed Provider acknowledges that it has reviewed and approved all fixtures, equipment and devices located at the Premises and agrees that if Licensed Provider chooses to utilize other medical equipment or devices, it shall do so at its own cost, expense and risk.

7.2 Management Company shall not be permitted or required to engage in the Studio Services and/or any activities that constitute the practice of medicine, so long as applicable laws

and regulations prohibit the same. Any delegation of authority by Licensed Provider to Management Company that would permit or require Management Company to practice medicine or other Studio Services at the Premises shall be prohibited. Nothing in this Agreement shall be construed to permit the Management Company to control, influence, or otherwise affect Licensed Provider's rendering of the Studio Services and any provision of this Agreement which may be interpreted or deemed to constitute Management Company's practice of medicine shall be null, void, and of no force and effect, and such invalid or unenforceable provision will be reformed and construed by limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law.

7.3 THE PARTIES HAVE MADE ALL REASONABLE EFFORTS TO ENSURE THAT THIS AGREEMENT COMPLIES WITH ANY APPLICABLE STATE LAWS AND REGULATIONS THAT PROHIBIT THE CORPORATE PRACTICE OF MEDICINE MEDICINE AND FEE-SPLITTING, AND THE PARTIES HEREBY UNDERSTAND AND AGREE THAT THEY WILL COMPLY WITH ANY CHANGES TO SUCH LAWS DURING THE AGREEMENT TERM. LICENSED PROVIDER SHALL HAVE THE EXCLUSIVE CONTROL AND AUTHORITY OVER THE PRACTICE OF MEDICINE MEDICINE.

7.4 MANAGEMENT COMPANY SHALL HAVE NO CONTROL OR DIRECTION OVER THE NUMBER, TYPE, OR RECIPIENT OF PATIENT REFERRALS MADE BY LICENSED PROVIDER AND NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED AS DIRECTING OR INFLUENCING SUCH REFERRALS. NONE OF MANAGEMENT COMPANY'S SERVICES HEREUNDER SHALL CONSTITUTE OBLIGATIONS OF MANAGEMENT COMPANY TO GENERATE PATIENTS TO LICENSED PROVIDER.

8. Insurance.

8.1 During the Agreement Term, Licensed Provider must maintain in force, under policies of insurance issued by carriers in good standing in the state where the Premises is located: (1) comprehensive commercial general liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Studio or otherwise in conjunction with the performance of the Licensed Provider Services pursuant to this Agreement, under one or more policies of insurance containing minimum liability coverage of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate; (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by statute; (3) professional liability (malpractice) insurance, for each doctor providing the Licensed Provider Services, having limits of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate; and (4) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. Management Company may periodically increase or decrease the amounts of coverage required under these insurance policies, and/or require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Licensed Provider agrees that compliance with any state minimum insurance requirements does not relieve Licensed Provider from the obligation to comply with the contractual insurance requirements in this Agreement.

8.2 Licensed Provider must provide Management Company with 30 days' advance written notice of any material modification, cancellation, or expiration of any policy.

8.3 Deductibles must be in reasonable amounts and are subject to review and written approval by Management Company.

8.4 Licensed Provider's commercial general liability insurance policy must be an "occurrence" policy and must name Management Company, Degree Wellness and their respective owners, directors, employees, agents, and affiliates, as an additional insured on a primary and non-contributory basis.

8.5 The malpractice policy for each doctor providing the Licensed Provider Services and/or working at the Studio must be endorsed, to the fullest extent possible, to name Management Company, Degree Wellness and their respective owners, directors, employees, agents, and affiliates, as an additional insured as an additional insured. If any of these policies are written on a "Claims Made" basis, Licensed Provider agrees to purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of this Agreement and/or such policy.

8.6 In accordance with Management Company's obligations in Section 2.1(i), Management Company will provide Licensed Provider with (i) certificates and copies of additional insured endorsements evidencing the existence of such insurance concurrently with execution of this Agreement and from time to time upon demand of Management Company, and (ii) upon Licensed Provider's request stating the reason therefor (such as a claim has been filed), copies of the insurance policies, along with all applicable endorsements.

8.7 Notwithstanding the existence of such insurance, Licensed Provider is and will be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the performance of the Licensed Provider Services or the operation of the Studio, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

8.8. Management Company must maintain any and all insurance coverage in such amounts and under such terms and conditions as may be required in connection with the lease or purchase of the Premises.

8.9. The insurance Management Company requires is for its own protection. Licensed Provider should consult with Licensed Provider's own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection Licensed Provider may need or desire, in addition to the coverages and minimum limits specified by Management Company. Licensed Provider's obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance Management Company maintains on Management Company's own behalf, nor will Management Company's maintenance of Management Company's insurance relieve Licensed Provider of any obligations under this Agreement.

9. Relationship of Parties.

9.1 The Parties hereto are independent contractors and nothing in this Agreement shall be deemed to create any association, partnership, joint venture, principal and agent relationship, master and servant relationship, or employer and employee relationship between the Parties or to provide either Party with the right, power or authority, whether express or implied, to create any such duty or obligation on behalf of the other Party.

9.2 Licensed Provider further agrees not to be treated, or seek to be treated, as an employee of Management Company for any purpose, including for disability income, social security taxes and benefits, Federal unemployment compensation taxes, State unemployment insurance benefits and Federal income tax withholding. Licensed Provider hereby understands and agrees to maintain timely payments of all income taxes due to the Internal Revenue Service and all other government agencies.

9.3 Notwithstanding the fact that Degree Wellness is made a third party beneficiary of Sections 10 and 11.1 and certain other provisions in this Agreement, Licensed Provider and Management Company acknowledge and agree that Degree Wellness is not a party to this Agreement, and that Licensed Provider has no contract or other rights against Degree Wellness with respect to any matter including, without limitation, the operation or profitability of the Studio business, any employee-related matters, and any marketing or other System materials, methods or guidelines.

10. Restrictive Covenants.

10.1 *Types of Confidential Information*. Pursuant to the Franchise Agreement, Management Company possesses a license to use certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, services and knowledge developed by Degree Wellness, including but not limited to: (a) services and products offered and sold at Degree Wellness franchises; (b) knowledge of sales and profit performance of any one or more Degree Wellness franchises; (c) knowledge of sources of products sold at Degree Wellness franchises, (d) advertising and promotional programs and image and decor; (e) methods, techniques, formats, specifications, procedures, information, systems, and knowledge of, and experience in, the development, operation, and franchising of Degree Wellness franchises; (f) copyrighted materials, including, without limitation, office forms and procedures, marketing materials, telephone scripts and the content of Degree Wellness's Operations Manual; and (g) the methods of training employees. Management Company will disclose much of the above-described information to Licensed Provider in the performance of the Management Company Services under this Agreement and the operation of the Studio Management Business. In addition, in the course of the performance of the Licensed Provider Services, Licensed Provider (or its employees) may develop ideas, concepts, methods, or techniques of improvement relating to the Studio Management Business that Licensed Provider agrees to disclose to Management Company, who then may disclose to Degree Wellness to use or authorize others to use in other Degree Wellness franchises owned or franchised by Degree Wellness or its affiliates. (All of such information disclosed to or developed by Licensed Provider will be referred to in this Agreement as the "Confidential Information".)

10.2 *Non-Disclosure Agreement*.

(a) Licensed Provider agrees that its relationship with Management Company does not vest in Licensed Provider any interest in the Confidential Information, other than the right to use it solely in the performance of the Licensed Provider Services during the Agreement Term, and that the use or duplication of the Confidential Information in any other business or for any other purpose would constitute an unfair method of competition or otherwise result in irreparable damage to Management Company and/or Degree Wellness.

(b) Licensed Provider acknowledges and agrees that the Confidential Information belongs to Degree Wellness, may contain trade secrets belonging to Degree Wellness, and is

disclosed to Licensed Provider or authorized for his/her/its use solely on the condition that Licensed Provider agrees, and Licensed Provider therefore does agree, that Licensed Provider (1) will not use, directly or indirectly, the Confidential Information in any business or capacity or for any purpose other than as needed in the performance of the Licensed Provider Services pursuant to and in accordance with this Agreement during and after the Agreement Term; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Agreement Term and not directly or indirectly publish or otherwise disclose it to any third party; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media that may be copied or duplicated; and (4) will adopt and implement all reasonable procedures, including any that Degree Wellness or Management Company may prescribe from time to time, to prevent unauthorized use or disclosure of the Confidential Information, including without limitation restrictions on disclosure to or by Licensed Provider's employees, and the use of non-disclosure, non-solicitation, non-disparagement and non-competition agreements Degree Wellness or Management Company may prescribe or approve for Licensed Provider's owners, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information. Licensed Provider and Management Company acknowledge and agree that Degree Wellness is a third-party beneficiary of the foregoing covenants and agreements, but that Degree Wellness is under no duty or obligation to Licensed Provider or Management Company to enforce any such agreements for its or Degree Wellness's benefit. Licensed Provider's duties and obligations with respect to the Confidential Information shall survive the termination or expiration of this Agreement.

10.3 *Non-Competition Agreement and Other Restrictive Covenants*.

(a) Non-Competition. During the Agreement Term, Licensed Provider will not, directly or indirectly, perform services for, or have any direct or indirect interest as an owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in, any business that offers products or services the same as or similar to those offered or sold at the Studio. Licensed Provider's duties and obligations under this Section 10.3(a) shall survive for two (2) years following any termination or expiration of this Agreement; provided, however, that following such termination or expiration of this Agreement, this covenant shall only apply with respect to a competitive business that has a place of business located within a five (5) mile radius of the location of the Premises.

(b) Non-Disparagement. Licensed Provider agrees that during the Agreement Term and thereafter, Licensed Provider will not, directly or indirectly, make any negative or critical statements to any third parties, either verbally or in any other form or media, about (a) Management Company, the Studio Management Business, Degree Wellness or any of its franchisees, or any of their respective products, services, businesses or business practices, or (b) the actions, operations or character of any of Management Company's or Degree Wellness's respective owners, officers, directors, employees, consultants or agents.

(c) Non-Solicitation. Licensed Provider agrees that during the Agreement Term, and thereafter for a period of two (2) years following any termination or expiration of this Agreement, Licensed Provider will not, directly or indirectly, (a) solicit for health care or related services and products with any person who was a patient of the Studio within the two year period prior to such

termination or expiration; or (b) interfere with Management Company's or Degree Wellness's relationship with any of its franchisees, vendors, suppliers or referral sources.

10.4 Licensed Provider further agrees that it will cause Licensed Provider's employees to enter into and deliver to Management Company a "Restrictive Covenant Agreement" in such form as Management Company may prescribe, either concurrently with the execution of this Agreement or at such later date as determined by Management Company.

10.5. Licensed Provider acknowledges and agrees that a breach of any provision of this Section 10 would cause immediate and irreparable harm to Management Company and Degree Wellness. Therefore, Licensed Provider acknowledges and agrees that the foregoing restraints are fair and reasonable, are required for the protection of Management Company's and Degree Wellness's legitimate business interests, and do not impose any undue hardship on Licensed Provider. Degree Wellness shall be deemed to be a third party beneficiary of all of the covenants contained in this Section 10.

11. Indemnification.

11.1 Licensed Provider agrees to defend, indemnify and hold harmless Management Company, Degree Wellness and their respective owners, directors, officers, employees, agents, successors, and assigns (each a "Management Indemnified Party"), from and against any and all claims, lawsuits, demands, actions, causes of action or other events, and for all costs and expenses incurred by the Management Indemnified Party in connection therewith, including without limitation actual and consequential damages, reasonable attorneys', accountants', and/or expert witness fees, cost of investigation and proof of facts court costs, other litigation expenses, and travel and living expenses, to the extent caused by, relating to or otherwise arising out of (1) the effects, outcomes and consequences of Licensed Provider's acts and omissions and the acts and omissions of Licensed Provider's employees, representatives and agents in connection with or relating to the provision of the Licensed Provider Services or the operation of the Studio, (2) any agreements, representations, or warranties Licensed Provider makes to third parties that are not expressly authorized under this Agreement, (3) any damages to any person or property directly or indirectly arising out of the performance of the Licensed Provider Services or the operation of the Studio, whether or not caused by Licensed Provider's negligent or willful action or failure to act or acts or omissions deemed to be professional malpractice, and/or (4) Licensed Provider's breach of any provision of this Agreement. Degree Wellness shall be deemed to be a third party beneficiary of all of the covenants contained in this Section 11.1.

11.2 The indemnification obligations described in this Section 11 will continue in full force and effect after, and notwithstanding, the expiration, renewal or termination of this Agreement.

12. Default and Termination.

12.1 Licensed Provider will be deemed to be in default under this Agreement, and Management Company will have the right to terminate this Agreement effective upon delivery of notice of termination to Licensed Provider, subject only to any right to cure to the extent expressly set forth below, if:

(a) Licensed Provider assigns or transfers this Agreement, or the ownership of Licensed Provider (if an entity) changes, without the prior written consent of Management Company;

(b) Licensed Provider or, if Licensed Provider is an entity, any of its owners, is adjudged a bankrupt, becomes insolvent or makes a general assignment for the benefit of creditors, or fails to satisfy any judgment rendered against it for a period of 30 days after all appeals have been exhausted;

(c) Licensed Provider uses, sells, distributes, or gives away any services or products, or use any patient referral or marketing service, that has not been formally approved by Management Company in writing and in advance;

(d) Licensed Provider or, if Licensed Provider is an entity, any of its owners, is convicted of or pleads no contest to a felony or are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of Management Company, the Studio Management Business, Degree Wellness, and/or the goodwill associated with the System or the Marks, or otherwise engages in any dishonest, unethical or other conduct that is reasonably likely to reflect materially and unfavorably on the goodwill or reputation of Management Company, the Studio Management Business, the System or the Marks;

(e) Licensed Provider (or any of Licensed Provider's employees) violates any health or safety law, ordinance or regulation, or performs the Licensed Provider Services in a manner that presents a health or safety hazard to patients or the public;

(f) Licensed Provider does not pay when due any monies owed to Management Company, including the Management Fee, and does not make such payment within 2 days after written notice is given to Licensed Provider;

(g) Licensed Provider (or, if Licensed Provider is an entity, any owner, member, or individual employed of/by Licensed Provider who will be providing the Studio Services under this Agreement) is no longer licensed and/or in good standing to provide the Studio Services in the state in which the Premises is located at any time during the Agreement Term;

(h) Licensed Provider (or, if Licensed Provider is an entity, its owners, shareholders, partners, or members) fails to comply with any other provision of this Agreement, any other agreement with Management Company, or any mandatory specification, program, standard or operating procedure within 10 days after written notice of such failure to comply is given to Licensed Provider; or

(i) Licensed Provider, if an individual, dies, becomes permanently disabled, or is temporarily disabled such that he/she fails to operate the Studio on a full-time basis for more than 10 scheduled business days in any 3 calendar month period.

12.2 This Agreement may be terminated by either Party (a) in its sole and absolute discretion upon sixty (60) days' written notice to the other Party, or (b) immediately by written notice to the other Party if such Party reasonably believes, based upon an opinion of qualified legal counsel, that this Agreement is in violation of applicable law; provided, however, that the Parties will negotiate in good faith to amend the Agreement to comply with all such applicable law while still achieving the primary purposes hereof, or (c) immediately by written notice to the other Party upon termination of the Franchise Agreement.

12.3 This Agreement may be terminated by Licensed Provider in the event Management Company fails to comply with any provision of this Agreement within 60 days after written notice of such failure to comply is given to Management Company.

12.4. Upon termination of this Agreement by either Party, Licensed Provider must immediately pay Management Company any and all fees and amounts then due and owing (including the Management Fee), return all Confidential Information to Management Company (and shall neither make nor retain any copies thereof), cease use of all Marks and other elements of the System, provide Management Company's designee with the Patient Records pursuant to Section 15.2 below, and vacate the Premises and return all keys, pass cards and codes to Management Company.

13. Waiver of Certain Damages; Waiver of Trial by Jury.

13.1 Licensed Provider hereby waives to the fullest extent permitted by law, any right to or claim for any indirect, special, consequential, incidental, punitive, exemplary, or treble damages, and other forms of multiple damages, against Management Company and/or Degree Wellness, including without limitation, any economic loss, property damage, physical injury, or lost profits arising out of this Agreement, Licensed Provider's use of the Marks or other elements of the System, or Management Company's provision of the Management Company Services, regardless of whether arising under breach of contract, warranty, tort, strict liability or any other legal or equitable theory or claim, even if such loss or damage could have been reasonably foreseen. Further, Licensed Provider agrees that, except to the extent provided to the contrary in this Agreement, in the event of a dispute between the Parties, Licensed Provider will be limited to the recovery of any actual damages sustained by Licensed Provider. The Parties irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either Party.

14. Arbitration.

14.1 ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT (INCLUDING A BREACH HEREOF) OR THE OPERATION OF THE STUDIO MANAGEMENT COMPANY OR THE PERFORMANCE OF THE MANAGEMENT COMPANY SERVICES OR LICENSED PROVIDER SERVICES SHALL BE SETTLED BY BINDING ARBITRATION IN THE CITY IN WHICH THE PREMISES IS LOCATED, IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION THEN EXISTING. THIS AGREEMENT TO ARBITRATE SHALL BE SPECIFICALLY ENFORCEABLE AND THE ARBITRATION AWARD SHALL BE FINAL AND BINDING, AND JUDGMENT MAY BE ENTERED THEREUPON IN ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER OF THE DISPUTE. EACH PARTY TO THE ARBITRATION SHALL PAY SUCH PARTY'S LEGAL FEES AND OTHER COSTS AND EXPENSES OF THE ARBITRATION.

15. Access to Records.

15.1 In accordance with Title 42, Section 1395x(v)(1)(I) of the United States Code, for a period of four (4) years beginning as of the date of the termination of this Agreement, Management Company and/or Licensed Provider shall make available upon written request from the Secretary of the United States Department of Health and Human Services ("USDHHS"), or upon written request from the Comptroller General of the United States General Accounting Office ("USGAO"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by Management Company and/or Licensed Provider under this Agreement.

15.2 Upon termination or expiration of this Agreement, Licensed Provider covenants and agrees that it will transfer the original or complete copies of the Patient Records to the designee of Management Company for use by a successor licensed person or entity at the Premises or otherwise, and Management Company and Licensed Provider agree to cooperate with each other regarding the transfer of Patient Records and securing the continuity of patient care.

16. Miscellaneous.

16.1 This Agreement may not be amended or modified except by a written agreement that specifically references this Agreement and is signed by each of the Parties.

16.2 This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof. All prior or contemporaneous oral or other written agreements, negotiations, representations, and arrangements regarding the subject matter hereof are hereby merged into and superseded by this Agreement.

16.3 The provisions of this Agreement are severable, and if any provision should, for any reason, be held invalid or unenforceable in any respect, it will not invalidate, render unenforceable or otherwise affect any other provision, and such invalid or unenforceable provision will be construed by limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law.

16.4 For purposes of this Agreement, the singular includes the plural and vice-versa and the feminine, masculine and neuter include each other. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

16.5 All notices and other communications hereunder will be in writing and will be sent either by (a) certified mail, postage prepaid, return receipt requested; (b) an overnight express courier service that provides written confirmation of delivery; or (c) facsimile or email with written confirmation by the sending machine or with telephone confirmation of receipt, addressed as follows:

If to Management Company	If to Licensed Provider
_____:	_____:
_____	_____
_____	_____
_____	_____
Attn: _____	Attn: _____
Fax No: _____	Fax No: _____

Any Party may change its address for receiving notice by giving notice of a new address in the manner provided herein. Any notice given under this section, will be deemed to be delivered on the third business day after the same is deposited in the United States Mail, on the next business day if sent by overnight courier, or on the same business day if sent by facsimile before the close of business of the recipient, or the next day, if sent by facsimile after the close of business of business of the recipient.

16.6 No course of dealing between the Parties, no waiver by either Party and no refusal or neglect of either Party to exercise any right hereunder or to enforce compliance with the terms of this Agreement shall constitute a waiver of any provision herein, unless such waiver is expressed

in writing by the waiving Party and is clearly designated as a waiver to a specific provision(s) of this Agreement.

16.7 The laws of the state in which the Premises are located shall govern all disputes, controversies and litigation arising under this Agreement.

16.8 This Agreement may be executed in one or more counterparts, including by facsimile or electronic signature included in an Adobe PDF file, each of which shall be an original and all of which together shall constitute one and the same agreement. The execution of counterparts shall not be deemed to constitute delivery of this Agreement by any party until all of the parties have executed and delivered their respective counterparts.

16.9 The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement.

16.10 No Party hereto may assign any of its rights or benefits or delegate any of its duties, obligations or liabilities under this Agreement without the prior consent of each of the other Parties hereto; provided, however, that Management Company may assign all of its right, title and interest, in whole or in part, to Degree Wellness or Degree Wellness's designee at any time. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the heirs, executors, trustees, guardians, personal representatives, successors and permitted assigns of the parties.

IN WITNESS WHEREOF, the Parties have set their hands as of the day and year first above written.

_____

By:_____

Its: _____

-Management Company-

_____

By:_____

Its: _____

-Licensed Provider-

EXHIBIT ~~G~~ F-2

STAFFING AND ANCILLARY SERVICES AGREEMENT

BY AND BETWEEN

WELLNESS PROVIDER THERAPIES, P.A.

AND

FRANCHISEE ENTITY NAME

STAFFING AND ANCILLARY SERVICES AGREEMENT

THIS STAFFING AND ANCILLARY SERVICES AGREEMENT (the "Agreement") is made and entered into this [Date] by and between:

WELLNESS PROVIDER THERAPIES, P.A., a professional medical association ("Group"), with offices located at 7901 4th St N, Ste 300, St. Petersburg, FL 33702 and [FRANCHISEE ENTITY NAME] ("Staffer"), with offices located at FRANCHISEE ADDRESS.

RECITALS

A. Staffer is a services organization authorized to do business in the States of [FRANCHISEE STATE]. Staffer specializes in staffing health clinics for IV infusion therapies, marketing in the health and wellness space, supply management, and marketing of IV infusion therapies.

B. Group is a professional medical association that employs and contracts with physicians and other healthcare practitioners duly licensed in the State of [FRANCHISEE STATE], which is qualified to practice medicine and experienced in the rendering of IV infusion therapies for general health and wellness (the "Business").

C. Group and Staffer believes that Staffer's provision of the services identified in this Agreement will enhance Group's ability to provide IV infusion therapies.

D. Staffer and Group desire to enter into a written agreement for Staffer to provide Group with the staffing, marketing, and ancillary services ("Staffing Services") required to operate Group's medical practice on the terms and conditions set forth in this Agreement under the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, and the mutual promises and covenants, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENT

1. TERM OF AGREEMENT.

The term of this Agreement (the "Term") shall commence on [Date] (the "Effective Date"), and shall continue for fifteen (15) years, and shall be automatically renewed thereafter upon the same terms and conditions for successive one (1) year terms, unless terminated sooner pursuant to the terms and provisions of this Agreement or unless either party send a written notice of non-renewal to the other party not less than one hundred eighty (180) days prior to the expiration of the then current term of this Agreement.

2. DUTIES AND RESPONSIBILITIES OF GROUP.

Authority over Medical Practice. Group shall be solely and exclusively in control of all aspects of the practice of medicine and the provision of professional medical services to its patients, including all medical training and medical supervision of licensed personnel, and Staffer shall neither have nor

exercise any control or discretion over the methods by which Group shall practice medicine. The rendition of all professional medical services, including but not limited to, diagnosis, treatment and the prescription of medicine and drugs, and the supervision and preparation of medical records and reports shall be the sole responsibility of Group. Staffer shall have no authority whatsoever with respect to such activities. Whenever this Agreement states that Group shall determine or approve any particular matter, such statement shall refer to decisions by the officers and directors (or committees thereof) of Group.

Cooperation with Staffer. Group shall fully and timely cooperate with Staffer and shall be responsive and available to Staffer during the Operating period to enable Staffer to perform its obligations under this Agreement.

4. STAFFER'S OBLIGATIONS.

Patient Records. All medical records shall be Group's property. Group agrees to allow Staffer and its duly authorized representatives to inspect, audit and duplicate any data or records necessary for Staffer to perform its duties pursuant to this Agreement, and such records and files may be stored by Staffer for such period of time as may be legally required or as may be mutually agreed to by Staffer and Group. The parties shall maintain and safeguard the confidentiality of all records, charts and other information generated in connection with the professional medical services provided hereunder in accordance with all applicable federal and state laws. The storage and control of originals and copies of medical records shall meet all HIPAA requirements and shall comply with the policies and procedures of Group.

HIPAA Compliance. Group and Staffer shall comply with all applicable laws, regulations, and ethical principles concerning privacy, security, and confidentiality of all patient records, including the Health Insurance Portability and Accountability Act of 1996, and any updates or changes, including those under the Health Information Technology for Economic and Clinical Health Act of the American Recovery and Reinvestment Act of 2009, and the regulations promulgated thereunder including, without limitation, the federal privacy regulations at 45 CFR Parts 160, 162 and 164 and the federal security standards at 45 CFR Part 142 (collectively, "HIPAA"). Concurrently with the execution of this Agreement, Group and Staffer shall enter into that certain HIPAA Business Associate Agreement in the form attached hereto as Exhibit B.

Staffing and Ancillary Fee. Group and Staffer hereby mutually recognize and acknowledge that Staffer will incur substantial costs and expenses in fulfilling Staffer's obligations to Group, and that such costs and expenses may vary during each month of this Agreement. On or before the fifteenth (15th) day of each calendar month during the Term, commencing with the second such month, and on or before the fifteenth (15th) day of the calendar month following the expiration or earlier termination of this Agreement, Group shall pay to Staffer an amount equal to the Monthly Staffing and Ancillary Fee (as defined on Exhibit C attached hereto and incorporated herein by this reference) as a fee for Staffing Services furnished by Staffer to Group during the preceding calendar month, also, if appropriate, the Marketing Fee (as defined on Exhibit C) as a fee for any marketing services furnished by Staffer to Group during the preceding calendar month, and Group shall immediately reimburse Staffer for any expenses paid by Staffer on behalf of or for the Group's benefit.

General Limitation on Staffer's Services. Staffer is hereby expressly authorized to subcontract with other persons or entities for any of the services Staffer is required to perform under this Agreement;

provided, however, that Staffer shall remain responsible for all services performed by such other persons or entities. Staffer may disclose any term of this Agreement to any subcontractor of Staffer who performs services to Group. Staffer will ensure that all subcontractors will, as necessary, enter into Business Associate Agreements with Group as required under HIPAA.

Billing and Collection.

(a) For the purpose of carrying out the Staffing Services related to billing and collection of professional services, Staffer shall have full authority to receive, take possession of and endorse in the name of Group any checks, drafts, notes, money orders, cash and other instruments received in payment on behalf of Group.

(b) Group agrees to keep and provide to Staffer all documents, opinions, diagnoses, recommendations, and other evidence and records necessary for the purpose of supporting fees charged for professional medical and other services from time to time. Staffer shall maintain complete and accurate records, consistent with the general practices of Staffer of all fees, charges and billings of all services contemplated hereby. It is expressly understood that the extent to which Staffer will endeavor to collect such fees, the methods of collecting, the settling of disputes with respect to charges and the writing off of fees that may be or appear to be uncollectible shall at all times be at the sole discretion of Staffer, and Staffer does not guarantee the extent to which any fees billed will be collected. Group or Group's duly authorized agent shall have the right at all reasonable times and upon the giving of reasonable notice to examine, inspect and copy the records of Staffer pertaining to such fees, charges, billings, costs and expenses.

5. STAFFING.

Staffer shall furnish registered nurses or other individuals that are licensed to perform IV services under general supervision ("Placed Employees") to Group to perform IV infusion therapy services on behalf of Group.

Group shall have total and complete control over any and all aspects of clinical work performed by registered nurses. Staffer understands and agrees that it shall not perform any action that interferes with the clinical oversight and medical judgment of Group, Group representatives, or the registered nurse.

The services shall be performed by persons in the employ of Staffer and Staffer assumes legal responsibility as the employer of said persons, including payment of wages, benefits and other compensation due to said persons, procurement of insurance, including, without limitation, workers' compensation insurance, and Staffer's compliance with all applicable federal, state, local laws and other requirements, including payment of all taxes withheld from or due on the Placed Employees. Staffer will comply with all laws governing the employer-employee relationship, except those responsibilities that are expressly delegated to Group in this Agreement. Group will not permit Placed Employees assigned hereunder to work hours in excess of the hours reported to Staffer for payment and will comply with all legally required rest and meal periods for such employees.

All services by Staffer's Placed Employees shall be performed in an acceptable workmanlike manner, by Placed Employees who are appropriately licensed and fully qualified.

No Joint Employment Relationship. Staffer acknowledges and agrees that its relationship with Group is that of an independent contractor and nothing in this Agreement or related to Staffer's performance of any service shall be construed to create an employment or agency relationship between Group and Staffer or Group and any of Staffer's employees. Except in instances where the clinical quality of the work performed is in question, Staffer retains the sole and exclusive right and obligation to determine hiring and firing; conduct pre-employment screening and testing; maintain personnel records and files; track employee hours and pay wages and benefits; direct, control and supervise Staffer's employees; conduct performance management; impose discipline; and establish all other terms and conditions of employment of Staffer's employees. Staffer shall at all times remain the sole employer of persons employed by Staffer and, to this end, Staffer and Group agree that no act or omission of Staffer or Group shall be construed to make or render them joint employer, co-employer or alter ego of each other. Nothing in this Agreement shall be construed to create a partnership or joint venture relationship between the parties. Placed Employees provided to Group by Staffer shall not be eligible to participate in any of the benefits or benefit plans offered or provided by Group to regular employees on Group's payroll.

Indemnity as to Staffing. Staffer shall, to the fullest extent permitted by law, indemnify, defend and save harmless Group, its affiliates, and their respective managers, directors, officers, employees, insurers, and agents, (collectively, the "Indemnified Parties") from and against any and all claims, demands, actions, causes of action, damages, losses, fines, penalties and expenses (including reasonable attorneys' fees), which may be made or asserted against the Indemnified Parties, arising from or related to a Placed Employee and the services provided by Staffer pursuant to this Agreement, including, but not limited to, damage, bodily injury or the death of any person. Staffer also agrees to indemnify, defend and save harmless the Indemnified Parties from and against any liability arising out of or related to a breach of the terms of this Agreement, or any federal, state or local statute, law, ordinance or regulation.

Staffer agrees to indemnify, defend and save harmless the Indemnified Parties from and against any liability for premiums, contributions, taxes, or benefits payable under any workers' compensation, unemployment compensation, Staffer sponsored health care or health care statutorily required to be provided by Staffer, disability benefit, old age benefit, safe and/or sick leave, or tax withholding laws for which the Indemnified Party shall be finally adjudged liable as an employer with respect to any employees of Staffer (including, but not limited to the Placed Employees) assigned by Staffer to Group in accordance with this Agreement. The indemnification obligations in this paragraph will not be triggered by any claims, losses, damages, liabilities, or causes of action that arise from the gross negligence or willful misconduct of client."

6. INDEMNIFICATION GENERALLY.

Each party shall indemnify, defend and hold harmless the other party from any and all liability, loss, claim, lawsuit, injury, cost, damage or expense whatsoever (including reasonable attorneys' fees and court costs) arising out of, incident to or in any manner occasioned by the performance or nonperformance of any duty or responsibility under this Agreement by such indemnifying party, or any of its employees, agents, contractors or subcontractors; provided, however, that neither party shall be liable to the other party hereunder for any claim covered by insurance, except to the extent that the

liability of such party exceeds the amount of such insurance coverage. For the avoidance of doubt, all financial liabilities incurred by Staffer on behalf of Group shall remain the sole obligations of Group.

7. INDEPENDENT CONTRACTOR.

In the performance of this Agreement, it is mutually understood and agreed that Staffer and Support Personnel (as defined in Exhibit A) are at all times acting and performing as independent contractors with, and not as employees, joint venturers or lessees of Group. Staffer and Support Personnel shall have no claim under this Agreement or otherwise against Group for workers' compensation, unemployment compensation, sick leave, vacation pay, pension or retirement benefits, Social Security benefits or any other employee benefits, all of which shall be the sole responsibility of Staffer. Group shall not withhold on behalf of Staffer or any Support Personnel any sums for income tax, unemployment insurance, Social Security or otherwise pursuant to any law or requirement of any government agency, and all such withholding, if any is required, shall be the sole responsibility of Staffer. Staffer and all Support Personnel shall indemnify and hold harmless Group from any and all loss or liability, if any, arising out of or with respect to any of the foregoing benefits or withholding requirements.

8. TERMINATION.

Events of Termination. In addition to the termination of this Agreement in accordance with Section 2 above, this Agreement may be terminated upon the occurrence of any of the following events:

(a) Termination by Mutual Consent. This Agreement may be terminated at any time by the mutual written consent of the parties hereto.

(b) Termination Without Cause. This Agreement may be terminated at any time by Staffer, without cause, upon ninety (90) days' prior written notice to Group.

(c) Material Breach.

(i) If Staffer materially fails to perform any material obligation required hereunder as reasonably determined by Group, and such failure shall continue for one hundred eighty (180) calendar days after the giving of written notice by Group to Staffer specifying the nature and extent of such failure then Group shall have the right to terminate this Agreement immediately upon the expiration of such one hundred eighty (180) calendar day period or any time thereafter by giving written notice to Staffer of such termination; provided, however, if a non-monetary default cannot reasonably be cured by Staffer within the said one hundred eighty (180) calendar day period, then, a breach shall not be deemed to have occurred if Staffer commences diligently and in good faith to cure said default within said one hundred eighty (180) calendar day period and thereafter cures said default during an additional period of time not to exceed one hundred eighty (180) calendar days following the initial one hundred eighty (180) calendar day period.

(ii) If Group materially fails to perform any material obligation required hereunder as reasonably determined by Staffer, and such failure shall continue for thirty (30) calendar days after the giving of written notice by Staffer to Group specifying the nature and extent of such failure then Staffer shall have the right to terminate this Agreement immediately upon the expiration of such thirty (30) calendar day period or any time thereafter by giving written notice to Group of such termination;

provided, however, if a non-monetary default cannot reasonably be cured by Group within the said thirty (30) calendar day period, then, a breach shall not be deemed to have occurred if Group commences diligently and in good faith to cure said default within said thirty (30) calendar day period and thereafter cures said default during an additional period of time not to exceed thirty (30) calendar days following the initial thirty (30) calendar day period.

(iii) Immediate Termination. Notwithstanding any other provision hereof, this Agreement may be terminated by Staffer for cause, upon one (1) day's prior written notice to Group, upon the occurrence of any of the following events:

(iv) the attempted assignment or other unauthorized delegation of any of Group's rights or obligations under this Agreement;

(v) any withdrawal by Group from Group's Bank Account in contravention of Exhibit A of this Agreement.

(vi) the dissolution of Group for any reason.

8.2 Effect of Termination.

(a) Upon termination of this Agreement:

(i) Staffer shall deliver to Group, at Group's expense, all records necessary for the conduct of the Business, including all business and medical records and all other property of Group in its possession, and Group shall remain subject to the provisions of Section 10 with respect to such records.

(ii) Notwithstanding any provision of this Agreement to the contrary, Staffer and Group shall take such steps as may be reasonably necessary to ensure the provision of proper care to patients then currently under treatment until appropriate alternative arrangements are made.

(iii) Staffer shall be entitled to be paid any and all unpaid Monthly Staffing and Ancillary Fees accrued through the effective date of such termination. If Group is on a cash basis, then following the termination, if Group shall receive any payments related to the period during the effectiveness of this Agreement, Group shall make payments to Staffer in accordance with Exhibit C with respect thereto.

(b) Upon termination of this Agreement by either party and for any cause or without cause, each party shall retain all of the assets owned by it; provided, however, if this Agreement is terminated due to Group's dissolution or liquidation, any residual funds, after paying all other debts, shall be paid to Staffer as a final Monthly Staffing and Ancillary Fee for services rendered prior to such dissolution or liquidation.

(c) Wind Down Activities. Upon termination of this Agreement for any reason, Staffer's obligations to perform the Services hereunder shall completely cease; provided, however, that the parties shall perform and make payments for such matters as are necessary to wind up their activities pursuant to this Agreement in an orderly manner for a period of six (6) months. Any payments earned or Reimbursable Costs incurred by Staffer associated solely with the Services provided under this Agreement through the date of termination and through the Wind Down Period shall remain due and owing by the Group notwithstanding the termination of this Agreement.

9. ASSIGNMENT.

Staffer may assign any or all of its rights and delegate any or all of its obligations hereunder to any of its affiliates. Staffer may also assign all or any part of its right, title and interest in any payments to be received hereunder by Staffer to a bank or any other financial institution or any person from which Staffer has obtained, or will obtain, financing, and Staffer may grant a security interest in such payments. Notwithstanding the provisions of this Section 9, Staffer may assign this Agreement to an entity of any kind succeeding to the business of Staffer in connection with the merger, consolidation, or transfer of all or substantially all of the assets and business of Staffer to such successor. Group may not assign any of its rights or delegate any of its duties or obligations hereunder without the prior written consent of Staffer. All of the terms, provisions, covenants, conditions, and obligations of this Agreement shall be binding upon, and inure to the benefit of, the successors in interest and permitted assigns of the parties hereto.

11. FORCE MAJEURE.

Notwithstanding any provision contained herein to the contrary, Staffer shall not be deemed to be in default hereunder for failing to perform or provide any Staffing Services, Support Personnel or other obligations to be performed or provided by Staffer pursuant to this Agreement if such failure is the result of any labor dispute, act of God, inability to obtain labor or materials, governmental restrictions or any other event which is beyond the reasonable control of Staffer.

12. NO THIRD PARTY BENEFICIARY.

None of the provisions herein contained are intended by the parties, nor shall they be deemed, to confer any benefit on any person not a party to this Agreement.

13. DISPUTE RESOLUTION.

ARBITRATION.~~FINANCIAL STATEMENTS~~

In the event the parties are unable to resolve a dispute arising from this Agreement, either party may commence arbitration by sending a written demand for arbitration to the other party, setting forth the nature of the matter to be resolved by arbitration. There shall be one arbitrator, who shall be selected within ten (10) days after the demand for arbitration is mailed, in accordance with the procedural rules of JAMS, Inc. ("JAMS"). The parties shall equally share all costs of arbitration. The arbitration shall be governed by the procedural rules of the JAMS. The substantive law of the State of California shall be applied by the arbitrator. Arbitration shall take place in Santa Clara, California, unless the parties otherwise agree. As soon as reasonably practicable, a hearing with respect to the dispute or matter to be resolved shall be conducted by the arbitrator. As soon as reasonably practicable thereafter, the arbitrator shall arrive at a final decision, which shall be reduced to writing, signed by the arbitrator and mailed to each of the parties and their legal counsel. The arbitrator's award shall be final, binding and conclusive on the parties. Judgment may be entered upon the arbitrator's award in accordance with applicable law in any court having jurisdiction.

16. GOVERNING LAW.

This Agreement shall be construed and governed by and under the laws of the State of [FRANCHISEE STATE].

17. ENTIRE AGREEMENT; AMENDMENTS.

There are no other agreements or understandings, written or oral, between the parties, regarding the terms and conditions of this Agreement other than as set forth herein. Notwithstanding the foregoing, this does not bar any future agreements or understandings, written or oral, between the parties, including any license agreements as the parties may enter into for technology, software, or other intellectual property. This Agreement shall not be modified or amended except by a written document executed by the parties to this Agreement, and any such written modifications shall be attached hereto.

18. HEADINGS.

The headings set forth herein are for the purpose of convenient reference only, and shall have no bearing whatsoever on the interpretation of this Agreement.

19. NOTICES.

Any and all notices or other matters required or permitted by this Agreement to be served on, given to or deliver to a party shall be in writing and shall be deemed duly serviced, given or delivered when personally delivered to such party, or in lieu of such personal service, when deposited in the United States mail, certified, postage prepaid, or by electronic transmission followed by mail delivery, addressed to such person as follows:

~~**Degree Wellness**~~If to Staffer: [FRANCHISEE ADDRESS]
Attention: [FRANCHISEE NAME]

~~**Balance Sheet**~~
~~**15-Mar-24**~~

~~**Assets**~~

~~Cash~~If to Group:	~~300,000~~ 7901 4th St N, Ste 300, St. Petersburg, FL 33702 Attention: WELLNESS PROVIDER THERAPIES, P.A.

~~**Liabilities and Shareholder's Equity**~~

~~**Sharesholder's Equity**~~

~~Paid-in capital~~	~~300,000~~
~~**Total Shareholder's Equity**~~	~~**300,000**~~

Any party hereto may change its address for the purpose of receiving notices, demands and other communications as herein provided by a written notice given in the manner aforesaid to the other parties hereto.

20. NON-WAIVER.

The waiver by either party of any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein. The subsequent acceptance of performance hereunder by a party shall not be deemed to be a waiver of any preceding breach by the other party of any term, covenant or condition of this Agreement, other than the failure of such party to perform the particular duties so accepted, regardless of such party's knowledge of such preceding breach at the time of acceptance of such performance.

21. COUNTERPARTS.

This Agreement may be executed in counterparts (including by facsimile or email with scan attachment), each of which shall be deemed to be an original, and all of such counterparts shall together constitute one and the same Agreement.

22. SEVERABILITY.

In the event that any provision or part of any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the remaining parts or provisions of this Agreement which shall continue in full force and effect.

23. ADDITIONAL DOCUMENTS.

Each of the parties hereto agrees to execute any document or documents that may reasonably be requested from time to time by the other party to implement or complete such party's obligations pursuant to this Agreement and to otherwise cooperate fully with such other party in connection with the performance of such party's obligations under this Agreement.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first above written.

GROUP:	STAFFER:
PROFESSIONAL CORPORATION	**MANAGED SERVICE ORGANIZATION**
By: _____ Name: WELLNESS PROVIDER THERAPIES, P.A. Title: Chief Executive Officer	By: _____ Name: [FRANCHISEE ENTITY NAME] Title: Chief Executive Officer

EXHIBIT A

STAFFING SERVICES

Human Resources

1) Prepare employment/independent contractor forms for Placed Employees at the direction of the Group.

2) Provide training to Providers regarding all administrative policies and procedures relating to the operation of the Business.

3) Develop HR policies and procedures for the Providers.

Support Personnel

1) Provide a reasonable number of additional non-professional employees, excluding physicians and allied health professionals, of Staffer, after consultation with Group, to carry out the day-to-day non-medical operations of Group ("Support Personnel"). Staffer shall be responsible for all salaries, wages, expenses and benefits of Support Personnel.

2) Complete all performance appraisals and salary reviews and preparation of personnel files for Support Personnel.

3) Make all decisions regarding employee hiring and terminations, provide employee problem intervention/resolution and assist with the determination of employee compensation, including salaries and employee benefits, for all Support Personnel.

4) Provide and process all employee recordkeeping and payroll accounting, including social security and other payroll tax reporting and insurance for all employees of Staffer and for all other persons rendering services on behalf of Staffer.

5) Administer qualified retirement plans, group insurance benefits and any other benefit programs for Staffer's employees.

6) Develop training programs, in-service education, and HR policies and procedures for the Support Personnel.

EXHIBIT B (TO STAFFING AGREMENT)

(See Exhibit J to Franchise Disclosure Document)

EXHIBIT C (TO STAFFING AGREMENT)

COMPENSATION

(a) Staffing and Staffing and Ancillary Fee. Group and Staffer agree that Staffer shall be paid a Staffing and Ancillary Fee (the "Monthly Staffing and Ancillary Fee") for the Term. Group and Staffer agree that Staffer shall be paid the remainder of the revenue derived from IV infusion therapy minus all direct costs for products used during the service, the costs of Support Personal and Placed Employee, and an additional $[Insert] per month to be paid to Group.

This Staffing and Ancillary Fee shall be subject to adjustment on an annual basis to reflect the level and complexity of services provided.

(c) Value of Compensation. It is the intention of the parties hereto that all compensation which may be earned by Staffer shall be commensurate with the fair market value of Staffing Services, the Marketing Services, the leased Equipment and the leased Premises furnished by Staffer under this Agreement. The parties further agree that no portion of the compensation due to Staffer is attributable to volume or value of referral of patients by Staffer or any of its affiliates to Group. Payment to Staffer as provided herein is not intended to be and shall not be interpreted or applied as permitting Staffer to share in the fees for professional medical services furnished by Group.

EXHIBIT G
FINANCIAL STATEMENTS

EXHIBIT H

GENERAL RELEASE AGREEMENT

(For Studio Franchises)

THIS GENERAL RELEASE AGREEMENT ("**Release**") is made and entered into this _____ day of _____, 20__, by and between Degree Wellness Franchise, LLC, a Delaware limited liability company (**"Franchisor"**), and _____, a _____ corporation/limited liability company/partnership (circle one) (**"Franchisee"**), and each shareholder/member/partner of Franchisee (individually, an **"Owner,"** and collectively, the **"Owners"**) (collectively, Franchisor, Franchisee, and the Owners are referred to hereinafter as the "**Parties**").

WITNESSETH

WHEREAS, the Parties previously entered into that certain Franchise Agreement, dated _____, 20___ (the **"Agreement"**) granting Franchisee a single Degree Wellness Studio franchise of Franchisor for a specific Term (as defined in the Agreement); and

WHEREAS, Franchisee desires to renew the Agreement for an additional Term (as defined in the Agreement); and

WHEREAS, Section 2.4(c) of the Agreement requires Franchisee and each of its Owners to execute, in favor of Franchisor and its officers, directors, agents, and employees, and Franchisor's affiliates and their officers, directors, agents, and employees, as a condition to renew the Agreement, a general release from liability of all claims that Franchisee and its Owners may have against Franchisor and its affiliates and their respective officers, directors, employees, and agents; and

WHEREAS, the Parties desire to enter into this Release to comply with the requirements of the Agreement and preserve Franchisee's eligibility to renew the Agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein and other valuable consideration, the Parties hereby agree as follows:

1. Recitals. The foregoing Recitals are incorporated into and made part of this Release.

2. Release. Franchisee and each Owner, on behalf of themselves and their present or former affiliated entities, predecessors, successors, assigns, heirs, and personal representatives, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through them (the **"Releasing Entities"**), hereby fully release Franchisor and its present or former affiliates entities and their respective officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, and personal representatives (the **"Released Entities"**) from any and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Entities, or any of them, may have against the Released Entities as of the date this Agreement is executed,

except for any claims under the Illinois Franchise Disclosure Act, the Indiana Franchise Act, the Maryland Franchise Registration and Disclosure Law, the Minnesota Franchise Law (Minnesota Statutes 1973 Supplement, sections 80C.01 to 80C.22), or the Washington Franchise Investment Protection Act.

3. Miscellaneous.

A. This Release contains the entire agreement and representations between the Parties hereto with respect to the subject matter hereof. This Release supersedes and cancels any prior understanding or agreement between the parties hereto whether written or oral, express or implied. No modifications or amendments to this Release shall be effective unless in writing, signed by all Parties.

B. In the event any provision hereof, or any portion of any provision hereof shall be deemed to be invalid, illegal or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining portion of any provision, or of any other provision hereof, and each provision of this Release shall be deemed severable from all other provisions hereof.

C. This Release shall be governed by the laws of the State of Florida. Any litigation or court action arising under or related to this Release shall be filed in state or federal court in Duvall, Florida.

D. In the event a court action is brought to enforce or interpret this Release, the prevailing Party in that proceeding or action shall be entitled to reimbursement of all of its legal expenses, including, but not limited to, reasonable attorneys' fees and court costs incurred. The prevailing Party shall be entitled to reimbursement of all such expenses both in the initial proceeding or action and on any appeal therefrom.

E. This Release is binding on the Parties hereto and their respective successors, heirs, beneficiaries, agents, legal representatives, and assigns, and on any other persons claiming a right or interest through the Parties.

F. This Release may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original.

Signature Pages Follow

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Release as of the day and year first above written.

FRANCHISOR:

DEGREE WELLNESS FRANCHISE, LLC
a Delaware limited liability company

_____

By:
Its:

FRANCHISEE:

_____

By:
Title:

OWNERS:

	Owner's Residential Address:	Owner's % Ownership:
_____ Signature of Owner	_____	
_____ Printed/Typed Name of Owner	_____ Owner's Title/Position with Franchisee: _____	_____%
	Date: _____, 20__	

[The remainder of this page is intentionally left blank]

	Owner's Residential Address:	Owner's % Ownership:
_____	_____	
Signature of Owner		
_____	_____	_____%
Printed/Typed Name of Owner		
	Owner's Title/Position with Franchisee:	
	_____	
	Date: _____, 20__	

	Owner's Residential Address:	Owner's % Ownership:
_____	_____	
Signature of Owner		
_____	_____	_____%
Printed/Typed Name of Owner		
	Owner's Title/Position with Franchisee:	
	_____	
	Date: _____, 20__	

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	Owner's Residential Address:	Owner's % Ownership:
_____	_____	
Signature of Owner		
_____	_____	_____%
Printed/Typed Name of Owner		
	Owner's Title/Position with Franchisee:	
	_____	
	Date: _____, 20__	

	Owner's Residential Address:	Owner's % Ownership:
_____	_____	
Signature of Owner		
_____	_____	_____%
Printed/Typed Name of Owner		
	Owner's Title/Position with Franchisee:	
	_____	
	Date: _____, 20__	

[The remainder of this page is intentionally left blank]

	Owner's Residential Address:	Owner's % Ownership:
_____	_____	
Signature of Owner		
_____	_____	_____%
Printed/Typed Name of Owner		
	Owner's Title/Position with Franchisee:	
	_____	
	Date: _____, 20__	

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EXHIBIT I

TRANSFER AGREEMENT

THIS TRANSFER AGREEMENT **("Agreement")** is made and entered into as of _____, 20___(the "Effective Date"), by and between , a Delaware limited liability company (**"Franchisor"**), and _____ (**"Franchisee"**), and each undersigned shareholder/member/partner of Franchisee (individually, an **"Owner,"** and collectively, the **"Owners"**), and _____ (collectively, and jointly and severally, **"Assignee"**) (collectively, Franchisor, Franchisee, the Owners and Assignee are referred to hereinafter as the "**Parties**").

WITNESSETH:

WHEREAS, Franchisor and Franchisee previously entered into that certain Franchise Agreement, dated _____ (as amended to date, the **"Franchise Agreement"**), granting to Franchisee that certain Degree Wellness Studio franchise located in _____(the **"Franchise"**);

WHEREAS, Franchisee and each Owner wish to Transfer (as defined in Section 14.4 of the Franchise Agreement) to Assignee all of its right, title and interest in and to the Franchise and the Franchise Agreement (the **"Transferred Interest"**);

WHEREAS, Franchisor is willing to consent to the above Transfer of the Transferred Interest, and the Parties desire that the Transfer be made in accordance with the following terms and conditions;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and undertakings herein contained and other valuable consideration, the adequacy of which is acknowledged by all Parties, the Parties hereby agree as follows:

1. Recitals. The above Recitals and sections of the Franchise Agreement referred therein are hereby incorporated into and made part of this Agreement.

2. Transfer; Assumption; Consent to Transfer. Franchisee and each Owner does hereby Transfer to Assignee all of his, her or its right, title and interest in and to the Transferred Interest, and each Assignee, jointly and severally, does hereby assume and agree to discharge all liabilities and obligations of the Franchisee arising under or in connection with the Franchise Agreement on or after the Effective Date. Franchisor hereby consents to the Transfer of the Transferred Interest as described in the Recitals, but such consent does not relieve Franchisee or any Owner from any liabilities or obligations arising under or in connection with the Franchise Agreement on or before the Effective Date, or any covenants or obligations that by their terms survive Transfer or termination of the Franchise Agreement.

3. Conditions for Approval of Transfer. Franchisee and each Owner and Assignee hereby represent and warrant that the conditions for approval of Transfer as set forth in Section 14.5 of the Franchise Agreement, to the extent such conditions are not specifically addressed or resolved under this Agreement, have been fully and completely satisfied as provided in such Section 14.5 and to Franchisor's satisfaction; provided, however, that (a) a non-refundable $10,000.00 Transfer Fee shall be paid by _____ to Franchisor concurrently with the execution of this Agreement, and (b) Franchisor's consent and execution of this Agreement are expressly conditioned upon payment by Franchisee of all Continuing Franchise Fees due for

periods up to and through the Effective Date, including $_____ in past due amounts, prior to or concurrently with the execution of this Agreement.

In addition to the foregoing, and notwithstanding anything to the contrary in the Franchise Agreement or the New Franchise Agreement, Assignee agrees that it will conform the equipment, furnishings and décor of the Franchise business to Franchisor's current standards within 6 months of the Effective Date.

4. Release. Franchisee and each Owner, on behalf of themselves and their present or former affiliated entities, predecessors, successors, assigns, heirs, and personal representatives, as well as all other persons, firms, corporations, limited liability companies, associations or partnerships or other affiliated entities claiming by or through them (the **"Releasing Parties"**), hereby fully release Franchisor and its present or former affiliated entities and their respective officers, directors, shareholders, partners, members, employees, contractors, agents, predecessors, successors, assigns, attorneys, representatives, heirs, and personal representatives (the **"Released Parties"**), from any and all liabilities, claims, demands, debts, damages, obligations and causes of action of any nature or kind, whether presently known or unknown, which the Releasing Parties may have had, now have or may now or hereafter have or assert against any such Released Parties on account of any matter whatsoever arising from the beginning of time through the Effective Date, whether such claims be known or unknown, knowable or unknowable, suspected or unsuspected, which were or could have been asserted by any such Releasing Party, including but not limited to any claims relating or pertaining to the Franchise Agreement, the offering or purchase of the Franchise, business opportunity or similar statutes, and/or the business and franchise relationship between the parties. Franchisee and the Owners hereby represent and warrant to Franchisor and Assignee that Owners are the sole owners of the Franchise and Franchisee and no other person has any right, title or interest in or to the Franchise, the Franchisee, the Franchise Agreement, the Transferred Interest or any of the claims being released above.

5. Confidentiality; Non-Disparagement.

a. Definitions. Wherever used in this Section 5, the term "Franchisor" shall refer to Franchisor and any affiliate, subsidiary, successor or assign of Franchisor. Wherever used in this Section, the phrase "directly or indirectly" includes, but is not limited to, acting, either personally or as principal, owner, shareholder, employee, independent contractor, agent, manager, partner, joint venturer, consultant, or in any other capacity or by means of any corporate or other device, or acting through the spouse, children, parents, brothers, sisters, or any other relatives, friends, trustees, agents, or associates of any of the Parties. Whenever used in this Section, the term "Confidential Information" shall be defined as provided in Section 9.1 of the Franchise Agreement, which provisions are hereby incorporated by reference, and such term shall also include the terms and conditions hereof.

b. Consideration. The Parties acknowledge that consideration for this Agreement has been provided and is adequate. The consideration includes, but is not limited to, the granting of the Franchise to Franchisee and/or each Owner, and Franchisor's consent to the Transfer of the Transferred Interest as provided in this Agreement.

c. Need for this Agreement. The Parties recognize that in the highly competitive business in which Franchisor and its affiliates and franchisees are engaged, preservation of Confidential Information is important in securing new franchisees and employees, and retaining the goodwill of present franchisees, employees, customers, and suppliers.

Franchisee and each Owner recognizes that it has had substantial contact with Franchisor's employees, customers, and suppliers and Confidential Information. For that reason, Franchisee and each Owner may be in a position to take for his or her benefit all or a portion of the Confidential Information now or in the future. If Franchisee or any Owner, after the Transfer of the Transferred Interest as provided in this Agreement, takes advantage of such Confidential Information for Franchisee's or any Owner's own benefit, then the competitive advantage that Franchisor has created through its efforts and investment will be irreparably harmed.

d. Confidential Information**.** Franchisee and each Owner agrees at all times following the Effective Date, to hold the Confidential Information in the strictest confidence and not to use such Confidential Information for Franchisee's and/or each Owner's personal benefit, or the benefit of any other person or entity other than Franchisor, or disclose it directly or indirectly to any person or entity without Franchisor's express authorization or written consent. Franchisee and each Owner fully understand the need to protect the Confidential Information and all other confidential materials and agrees to use all reasonable care to prevent unauthorized persons from obtaining access to Confidential Information at any time.

e. Non-Disparagement. Franchisee and each Owner agrees that it shall not make any negative or critical statements to any third parties, either verbally or in any other form or media, about (i) Franchisor or its prior relationship and business dealings with Franchisor, or (ii) the actions, operations or character of Franchisor or any owners, officers, directors, employees, consultants or agents of Franchisor.

6. Subordination. Franchisee and each Owner and Assignee agree that all of Assignee's obligations to make any installment payments to or for the benefit of Franchisee and/or an Owner in connection with the Transfer of the Transferred Interest as provided under this Agreement shall be subordinate to Assignee's obligations under the Franchise Agreement or New Franchise Agreement (as defined below) to pay to us or our affiliates any Continuing Franchise Fees, Fund contributions, and other fees and payments provided for therein.

7. New Franchise Agreement. Assignee agrees that in connection with the Transfer of the Transferred Interest to it, Assignee shall sign at Franchisor's request the form of Franchise Agreement (including applicable guaranties of Principal Owners) currently used by Franchisor in selling and offering franchises like the Franchise (the "New Franchise Agreement"). If Franchisor requires that a New Franchise Agreement be signed, it will replace the Franchise Agreement for periods following the execution of the New Franchise Agreement; provided, however, that Assignee will not be required to pay the Initial Franchise Fee and the execution of the new Franchise Agreement will not extinguish any of Franchisee's continuing obligations under the Franchise Agreement.

8. Owner Remains Bound by Franchise Agreement. Owner hereby acknowledges and agrees that nothing contained herein shall relieve or discharge him with respect to any duties, obligations or liabilities to which he is subject under the Franchise Agreement. Without limiting the foregoing, and in consideration of, and as an inducement to, the execution of this Agreement by Franchisor, Owner hereby personally and unconditionally agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement, including without limitation, monetary obligations, the obligations to take or refrain from taking certain actions and arbitration of disputes. If Franchisor is required to enforce the guaranty provided for under this Section in a judicial or arbitration proceeding, and prevail in such

proceeding, then Owner agrees that Franchisor will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in connection with any failure by Owner to comply with the provisions of this Section, then Owner shall reimburse Franchisor for any of the above-listed costs and expenses incurred by Franchisor.

9. Breach. The Parties hereby agree that each of the matters stated herein are important, material, and confidential, and substantially affect the effective and successful conduct of the business of Franchisor and its reputation, and goodwill. Any breach of the terms of this Agreement is a material breach of this Agreement, which will result in substantial and irreparable injury to Franchisor, for which the breaching party may be preliminarily and permanently enjoined and for which the breaching party shall also pay to Franchisor all damages (including, but not limited to, compensatory, incidental, consequential and lost profits damages) which arise from the breach, together with interest, costs and Franchisor's reasonable attorneys' fees (through final unappealable judgment) to enforce this Agreement. This Agreement does not limit any other remedies available at law or in equity available to Franchisor.

10. No Waiver. Franchisor may waive a provision of this Agreement only in writing executed by an authorized representative. No Party shall rely upon any oral representations as to a waiver of any provision of this Agreement. No waiver by a party of a breach by another party of any provision of this Agreement shall operate or be construed as a waiver of any subsequent breach by the breaching party.

11. Assignment. This Agreement is fully transferable by Franchisor. Neither Franchisee, any Owner nor Assignee may assign, convey, sell, delegate, or otherwise transfer this Agreement or any right or duty hereunder without obtaining Franchisor's prior written consent.

12. Binding Agreement. This Agreement shall be binding upon the Parties' heirs and legal representatives. This Agreement shall be enforceable by the successors and assigns of Franchisor, any person or entity which purchases substantially all of the assets of Franchisor, and any subsidiary, affiliate or operation division of Franchisor. **The obligations of the Owners and Franchisee hereunder shall be joint and several.**

13. Tolling. To ensure that Franchisor will receive the full benefit of this Agreement, the provisions of this Agreement will not run, for purposes of the prohibitions on any competition and solicitation, statute of limitations, or for laches, at any time that a party to this Agreement is actually acting in any way in contravention to this Agreement.

14. Headings. The paragraph headings of this Agreement are not a substantive part of this Agreement and shall not limit or restrict this Agreement in any way.

15. Choice of Law and Venue. This Agreement shall be construed in accordance with and governed for all purposes by the laws of Florida. If any action or proceeding shall be instituted by any Party, or any representative thereof, all Parties and their representatives hereby consent and will submit to the jurisdiction of, and agree that venue is proper in Duvall, Florida. Notwithstanding the foregoing provisions of this Section 15, in the event this Agreement is subject

to the Illinois Franchise Disclosure Act, this Agreement shall be governed by Illinois law, and venue shall be proper in the state of Illinois.

16. Severance and Reformation. In case any one or more of the provisions or restrictions contained in this Agreement, or any part thereof, shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions or restrictions of this Agreement. In case any one or more of the provisions or restrictions contained in this Agreement shall, for any reason, be held to be unreasonable, improper, overbroad or unenforceable in any manner, it is agreed that they are divisible and separable and should be valid and enforceable to the extent allowed by law. The intention of the Parties is that Franchisor shall be given the broadest protection allowed by law with respect to this Agreement.

17. Entire Agreement. No change, addition, deletion or amendment of this Agreement shall be valid or binding upon any Party unless in writing and signed by the Parties. Insofar as matters within the scope of this Agreement are concerned, this Agreement is the entire Agreement between the Parties and replaces and supersedes all prior agreements and understandings pertaining to the matters addressed in this Agreement. There are no oral or other agreements or understandings between the Parties affecting this Agreement. Notwithstanding the foregoing, nothing contained herein shall limit, modify or revoke any covenants or obligations contained in the Franchise Agreement that by their terms survive Transfer or termination of the Franchise Agreement.

18. Counterparts. This Agreement may be executed in any number of counterparts, all of which shall be deemed to constitute one and the same instrument, and each counterpart shall be deemed an original.

19. Opportunity to Seek Independent Advice. The Parties recognize that this Agreement is an important document that affects their legal rights. For this reason, the Parties may wish to seek independent legal advice before accepting the terms stated herein. The undersigned Parties acknowledge that they have had an opportunity to seek such independent legal advice. The Parties each acknowledge that such Party has read and understand the provisions contained herein and acknowledge receipt of a copy of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Agreement as of the day and year first above written.

FRANCHISOR:
DEGREE WELLNESS FRANCHISE, LLC
A Delaware limited liability company

By:_____

Its:_____

FRANCHISEE:

By:_____

Its:_____

OWNERS:

_____

_____

_____

ASSIGNEE:

By:_____

-and-

_____
_____, Individually
and on behalf of any entities or persons
that may own, operate or have an interest
in the Franchise

EXHIBIT J

SUPPLEMENTAL AGREEMENTS

(INCLUDING HIPAA BUSINESS ASSOCIATE AGREEMENT)

~~I. HIPAA Business Associate Agreement.~~

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ~~(this "~~("Agreement") is made and entered into ~~effect as of _____, 20__~~this [Date] by and ~~among Degree Wellness Franchise, LLC and the undersigned franchisee in order to comply with 45 C.F.R. 164.504(e), governing protected health information ("PHI")~~between:

WELLNESS PROVIDER THERAPIES, P.A., a professional medical association ("Covered Entity"), with offices located at 7901 4th St N, Ste 300, St. Petersburg, FL 33702 and ~~business associates~~ [MSO], [Type of Corporation] ("Business Associate"). with offices located at FRANCHISEE ADDRESS.

(Covered Entity and Business Associate are sometimes individually referred to herein as a "Party" or collectively as the "Parties.")

RECITALS

WHEREAS, Business Associate has been engaged to provide certain services to Covered Entity pursuant to a separate agreement (the "Services Agreement"), and, in connection with those services, Covered Entity may need to disclose to Business Associate, or Business Associate may need to create on Covered Entity's behalf, certain Protected Health Information (as defined below) that is subject to protection under the Health Insurance Portability and Accountability Act of 1996 ~~(P.L.~~, Public Law 104-191~~), 42 U.S.C. Section 1320d, et seq.,~~ ("HIPAA"), the Health Information Technology for Economic and Clinical Health Act, ~~as incorporated in the American Recovery and Reinvestment Act of 2009 (the "HITECH Act"), and applicable regulations, as amended from time to time (these statutes and regulations hereafter collectively referred to as "HIPAA") Degree Wellness Franchise, LLC and the undersigned franchisee may be referred to herein individually as a "Party" or collectively as the "Parties"].~~Public Law 111-005 ("HITECH Act"), and regulations promulgated thereunder by the U.S. Department of Health and Human Services to implement certain privacy and security provisions of HIPAA (the "HIPAA Regulations"), codified at 45 C.F.R. Parts 160 and 164; and

WHEREAS, pursuant to the HIPAA Regulations, all business associates (as defined at 45 C.F.R. § 160.103), including Business Associate, of Covered Entity, as a condition of doing business with Covered Entity, must agree in writing to certain mandatory provisions regarding the privacy and security of PHI.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING, and the mutual promises and covenants contained herein, Covered Entity and Business Associate agree as follows:

AGREEMENT

Definitions

1. ~~The following~~. Capitalized terms used, but not otherwise defined, in this Agreement shall have the ~~same~~ meanings set forth in HIPAA, the HIPAA Regulations and the HITECH Act.

(a) "Breach" shall have the meaning ~~as those terms in the HIPAA Rules: Breach,~~ given to such term in 45 C.F.R. § 164.402, and shall include the unauthorized acquisition, access, use, or disclosure of PHI which compromises the security or privacy of such information.

(b) "Data Aggregation~~,~~" shall have the meaning given to such phrase under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.501.

(c) "Designated Record Set~~, Disclosure,~~" means a group of records maintained by or for Covered Entity that may include (i) medical records and billing records about Individuals maintained by or for a covered healthcare provider, (ii) the enrollment, payment, claims adjudication, and case or medical Administrative record systems maintained by or for a health plan, or (iii) records used, in whole or in part, by or for Covered Entity to make decisions about Individuals.

(d) "Electronic Health ~~Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices,~~Record" shall have the meaning given to such phrase in the HITECH Act, including, but not limited to, 42 U.S.C. § 17921(5).

(e) "Electronic Protected Health Information~~,~~" ("ePHI") means individually identifiable health information that is transmitted by, or maintained in, electronic media.

(f) "Health Care Operations" shall have the meaning given to such phrase under the Privacy Rule, including, but not limited to, 45 C.F.R. § 164.501.

(g) "Individual" has the same meaning as the term "individual" in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).

(h) "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information codified at 45 C.F.R. Part 160 and Part 164, Subparts A and E, as amended by the HITECH Act and as may otherwise be amended from time to time.

(i) "Protected Health Information ("PHI")" means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an Individual; the provision of healthcare to an Individual; or the past, present or future payment for the provision of healthcare to an Individual; and (ii) that identifies the Individual or with respect to which there is a reasonable basis to believe the information can be used to identify that Individual; and (iii) shall include the definition as set forth in the Privacy Rule including, but not limited to, 45 C.F.R. § 160.103. PHI excludes individually identifiable health information regarding a person who has been deceased for more than fifty (50) years. For purposes of this Agreement, PHI shall include ePHI.

(j) "Required By Law~~,~~" shall have the same meaning as the phrase "required by law" in 45 C.F.R. § 164.103.

(k) "Secretary~~,~~" means the Secretary of the U.S. Department of Health and Human Services or his/her designee.

(l) "Security Incident~~, Subcontractor,~~" means the attempted or successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

(m) "Security Rule" shall mean the HIPAA Regulations that are codified at 45 C.F.R. Part 160 and Part 164, Subparts A and C, as amended by the HITECH Act and as may otherwise be amended from time to time.

~~(a)~~(n) "Unsecured ~~Protected Health Information, and Use.~~PHI" shall mean PHI that is not secured through the use of a technology or methodology specified by the Secretary in guidance or as otherwise defined in 45 C.F.R. § 164.402.

~~(a) Business Associate. "Business Associate" shall generally have the same meaning as the term "business associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean Degree Wellness Franchise, LLC.~~

~~(b) Covered Entity. "Covered Entity" shall generally have the same meaning as the term "covered entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean the undersigned franchisee.~~

2. ~~**Statement of Agreement**~~Scope of Agreement. This Agreement applies to the PHI of Covered Entity to which Business Associate may be exposed as a result of the services that Business Associate will provide to Covered Entity pursuant to the Services Agreement. Business Associate shall abide by HIPAA, the HIPAA Regulations and the HITECH Act with respect to PHI of Covered Entity, as outlined below.

3. Obligations and Activities of Business Associate.

(a) *Permitted Uses.* Except as otherwise limited in this Agreement, Business Associate may *use* PHI (i) for the proper Administrative and administration of Business Associate, (ii) to carry out the legal responsibilities of Business Associate, or (iii) for Data Aggregation purposes for the Health Care Operations of Covered Entity. Business Associate shall not use PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so used by Covered Entity. Business Associate agrees to limit its use of PHI to the minimum amount necessary to accomplish the intended purpose of the use.

(b) *Permitted Disclosures.* Business Associate may *disclose* PHI (i) for the proper Administrative and administration of Business Associate, (ii) to carry out the legal responsibilities of Business Associate, (iii) as Required By Law, or (iv) for Data Aggregation purposes for the Health Care Operations of Covered Entity. Business Associate shall not disclose PHI in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by Covered Entity. In addition, if Business Associate discloses PHI to a third party, Business Associate must obtain, prior to making any such disclosure, (i) satisfactory written assurances from such third party that the PHI will be held as confidential as provided pursuant to this Agreement and only disclosed as Required By Law or for the purposes for which it was disclosed to such third party, and (ii) a written agreement from such third party to immediately notify Business Associate of any breaches of confidentiality of the PHI, to the extent such third party has obtained knowledge of such breach. Business Associate agrees to limit its disclosure of PHI to the minimum amount necessary to accomplish the intended purpose of the disclosure.

(c) *Prohibited Uses and Disclosures.* Business Associate shall not use or disclose PHI for fundraising or marketing purposes. In accordance with 45 C.F.R. § 164.522(a)(1)(B)(6), Business Associate shall not disclose PHI to a health plan for payment or Health Care Operations purposes if a patient has requested this special restriction, and has paid out of pocket in full for the healthcare item or service to which the PHI solely relates. Business Associate shall not sell PHI as provided in 45 C.F.R. § 164.502.

(d) *Other Business Associates.* As part of its providing functions, activities, and/or services to Covered Entity, Business Associate may disclose information, including PHI, to other business associates of Covered Entity, and Business Associate may use and disclose information, including PHI, received from other business associates of Covered Entity as if this information was received from, or originated with, Covered Entity.

(e) *Safeguards.* Business Associate agrees to use appropriate safeguards to prevent use or disclosure of PHI other than as provided for by this Agreement and to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the ePHI that it creates, receives, maintains, or transmits on behalf of Covered Entity. In accordance with 42 U.S.C. § 17931 of the HITECH Act, Business Associate shall be directly responsible for full compliance with the policies and procedures and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. §§ 164.308, 164.310, 164.312, 164.314 and 164.316.

(f) *Reporting of Unauthorized Uses or Disclosures and Security Incidents.* Business Associate agrees to report to Covered Entity in writing any access, use or disclosure of PHI not provided for or permitted by this Agreement and, any Security Incidents of which Business Associate (or Business Associate's employee, officer or agent) becomes aware. Business Associate shall so notify Covered Entity pursuant to this Section 3(f) within twenty-four (24) hours after Business Associate becomes aware of such unauthorized use, disclosure or Security Incident.

(g) *Reporting of Breach of Unsecured PHI.* Business Associate agrees to report to Covered Entity any Breach of Unsecured PHI of which Business Associate (or Business Associate's employee, officer or agent) becomes aware without unreasonable delay and in no case later than twenty-four (24) hours after Business Associate knows of such Breach, except where a law enforcement official determines that a notification would impede a criminal investigation or cause damage to national security.

Agents and Subcontractors. Business Associate agrees to ensure that any agent, including a subcontractor, to whom Business Associate provides PHI, agrees in writing to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI, and implement the safeguards required by Section 3(e) above with respect to ePHI. If Business Associate

1. ~~HIPAA Compliance and Agents: Business Associate hereby agrees to fully comply with the "Business Associate" requirements under HIPAA, throughout the term of this Agreement. Further, Business Associate agrees that to the extent it has access to PHI, Business Associate will fully comply with the requirements of HIPAA and this Agreement with respect to such PHI; and, further, that every agent, employee, subsidiary, subcontractor, vendor and affiliate of Business Associate to who it provides PHI received from, or created or received by Business Associate on behalf of, Covered Entity, will be required to fully comply with HIPAA, and will be bound by written agreement to the same restrictions and terms and conditions as set forth in the Agreement. To the extent~~

Business Associate is to carry out one or more of Covered Entity's obligations under the Security and Privacy provisions of HIPAA, Business Associate will comply with such requirements that apply to Covered Entity in the performance of such obligation(s).

2. Use and Disclosure Rights: Business Associate agrees that it shall not use or disclose PHI except as permitted under this Agreement or as required by law. Business Associate acknowledges that this Agreement does not in any manner grant Business Associate any greater rights than Covered Entity enjoys, nor shall it be deemed to permit or authorize Business Associate to use or further disclose PHI in a manner that would otherwise violate the requirements of HIPAA if done by Covered Entity. Business Associate shall comply with HIPAA and its applicable regulations as it pertains to marketing, fundraising and/or the sale of PHI. Business Associate shall not disclose PHI to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates. Business Associate shall not directly or indirectly receive payment or other consideration in exchange for PHI, except as permitted under HIPAA; however, this prohibition shall not affect payment from Covered Entity to Business Associate for services provided by Business Associate.

3. Required or Permitted Uses: Business Associate shall not – and Covered Entity shall not request Business Associate to – use or disclose PHI in any manner that would not be permissible under HIPAA if done by Covered Entity, except for any specific uses or disclosures set forth below. Business Associate may only use or disclose PHI incidental to the performance of its services required under the Franchise Agreement with Covered Entity. Business Associate agrees that it is permitted to use or disclose PHI only as follows: (a) upon obtaining the authorization of the patient to whom such information pertains in accordance with 45 C.F.R. 164.502 (a)(1)(iv) and 164.508, (b) upon obtaining the consent of a patient to whom such information pertains, if the use or disclosure is for purposes of treatment, payment, or health care operations, (c) without an authorization or consent, if in accordance with 45 C.F.R. 164.506, 164.510, 164.512, 164.514(e), 164.514(f), 164.514(g), (d) Business Associate may use PHI for data aggregation services relating to the health care operations of Covered Entity, (e) Business Associate is authorized to use PHI to de-identify the PHI, (f) Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, (g) Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided (1) the disclosures are required by law, or (2) Business Associate obtains reasonable assurances from the person or entity to whom the PHI is disclosed that the information will remain confidential and be used or further disclosed only as required by law or for the purposes for which it was disclosed the such person or entity, and the person notified Business Associate of any instances of which it is aware in which the confidentiality of the PHI has been breached, and (h) as otherwise permitted or required by agreement or law.

4. Subcontractors. If applicable, Business Associate will ensure that any subcontractors or agents that create, receive, maintain, or transmit PHI or electronic PHI on behalf of Business Associate will agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information. As necessary, Business Associate will enter into a business associate agreement that is in compliance with the requirements of HIPAA with any and all

subcontractors of Business Associate in order to disclose PHI to such subcontractor.

5. Safeguards; Location: Business Associate agrees to (1) develop and use appropriate administrative, procedural, physical, and electronic safeguards in accordance with and as required by HIPPA, as may be amended, and (2) comply with the Security and Privacy provisions of HIPAA with respect to electronic PHI, to prevent misuse or disclosure of PHI (including unsecured PHI) other than as provided by this Agreement. Business Associate agrees to notify Covered Entity of the location of any PHI disclosed by Covered Entity or created by Business Associate on behalf of Covered Entity and held by or under the control of Business Associate or those to whom Business Associate has disclosed such PHI. Business Associate will only disclose PHI to a subcontractor if it receives satisfactory assurances from the subcontractor in accordance with applicable law that the subcontractor will appropriately safeguard the PHI.

6. Minimum Necessary: Covered Entity and Business Associate must make reasonable efforts to limit any use, disclosure, or request for use or disclosure to the minimum amount necessary to accomplish the intended purpose of the use, disclosure, or request in accordance with the requirements of HIPAA. Covered Entity may, pursuant to HIPAA, reasonably rely on any requested disclosure as the minimum necessary for the stated purpose when the information is requested by Business Associate. Business Associate acknowledges that if Business Associate is also a covered entity, as defined by HIPAA, Business Associate is required, independent of Business Associate's obligations under this agreement, to comply with the HIPAA minimum necessary requirements when making any request for PHI from Covered Entity.

7. Records Covered Entity Access: Business Associate shall maintain such records of PHI received from, or created or received on behalf of, Covered Entity and shall document subsequent uses and disclosures of such information by Business Associate as may be deemed necessary and appropriate in the sole discretion of Covered Entity. Business Associate shall provide the Covered Entity with reasonable access to examine and copy such records and documents of Business Associate during normal business hours. Business Associate agrees to fully cooperate in good faith with and to assist Covered Entity in complying with the requirements of HIPAA and an investigation of Covered Entity regarding compliance with HIPAA conducted by the U.S. Department of Health and Human Services ("DHHS"), Office of Civil Rights, or any other administrative or judicial body with jurisdiction.

7. DHHS Access to Books, Records, and other Information: Business Associate shall make available to the Secretary of the DHHS its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of, Covered Entity for purposes of determining the Covered Entity's or Business Associate's compliance with HIPAA.

8. Designated Record Set or Individual Access: Business Associate shall maintain a designated record set, as defined by HIPAA, for each individual patient for which it has PHI. In accordance with an individual's right to access to their own PHI under HIPAA, Business Associate shall make available all PHI in that designated record set to the individual to whom that information pertains, or such individual's representative, all PHI in that designated record set, upon a request by such individual or such individual's representative.

9. Accounting: Business Associate shall make available PHI or any other information required to provide, or assist in preparing, an accounting of disclosures in accordance with HIPAA as necessary to satisfy Covered Entity's obligations. Business Associate shall implement a policy permitting for an accounting to be collected and maintained by Business Associate for at least six (6) years prior to the request. Accounting of disclosures from an electronic health record for treatment, payment or health care operation purposes are required to be collected and maintained for only three (3) years prior to the request, and only to the extent required under HIPAA and applicable regulations. The information collected and maintained by the Business Associate must include (1) the date of disclosure, (2) the name and, if known, the address of the entity or person who received PHI, (3) a brief description of the PHI disclosed, and (4) a brief statement of the purpose of the disclosure that reasonably informs the individual of the basis for the disclosure, or in lieu of such statement, a copy of a written request for the disclosure. If Business Associate receives a request for an accounting directly from an individual patient, Business Associate shall forward such request to Covered Entity within ten (10) business days. Covered Entity shall have the sole responsibility for providing an accounting to the individual patient.

10. Report Improper Use or Disclosure: Business Associate shall notify and report to Covered Entity in writing of any access, use or disclosure of PHI not permitted by this Agreement or by law, and any breach of "unsecured PHI" of which it becomes aware and of any security incident of which it becomes aware without unreasonable delay and in no case later than sixty (60) calendar days after discovery of the breach. This notice or report shall, to the extent such information is available, (1) identify the nature of the breach or non-permitted access, including the date of the breach, (2) a description of PHI that was involved in the breach, (3) identify the individual who caused the breach and who received the PHI, (4) identify the corrective action the Business Associate took or will take to prevent further breaches, (5) identify what Business Associate did or will do to mitigate any losses from the breach and (6) provide such other information as Cover entity may reasonably request.

    Business Associate agrees to require its agents and subcontractors to promptly report to Business Associate any use or disclosure of PHI in violation of this Agreement and to report to Covered Entity any use or disclosure of the PHI not provide for by this Agreement. Business Associate shall report any such violation to Covered Entity as required by applicable law.

11. Requirements of Covered Entity to Inform Business Associate. Business Associate shall only be required to comply with the respective limitation, restriction or changes and/or revocation if Covered Entity notifies Business Associate of (1) any limitation in the notice of privacy practices, (2) any restriction on the use of disclosure of PHI that Covered Entity has agreed to or is required to abide by, and (3) any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI.

12. Amendment of and Access to PHI Notification: Business Associate shall make available PHI in a designated record set to Covered Entity for amendment and shall incorporate any amendments to PHI accordingly. Business Associate shall make reasonable efforts to notify persons, organizations, or other entities, including other business associates, known by Business Associate to have received the erroneous or incomplete information and who may have relied, or could foreseeably rely, on such information to the detriment of the individual patient. Business Associate must update this information when notified by the Covered Entity. If Business Associate receives a request for amendment to PHI directly from an individual patient, Business Associate shall forward such

~~request to Covered Entity within ten (10) business days. Covered Entity shall have the sole responsibility for determining whether to approve an amendment to PHI and to make such amendment.~~

~~13. Term and Termination Rights: The term of this Agreement shall commence upon execution of this Agreement and continue in effect until the termination of the Franchise Agreement executed between the Parties or as otherwise provided for in this Agreement. Each party acknowledges and agrees that the other party shall have the right to immediately terminate this Agreement in the event the party fails to comply with HIPAA requirements concerning PHI and the above requirements. This agreement authorizes a party to terminate the Agreement if the party determines, in its sole discretion, that the other party has violated or breached a material term of the Agreement required by HIPAA.~~

(h) ~~Breach or Violation Knowledge: If a party~~ knows of a pattern of activity or practice of ~~the other party~~an agent that constitutes a ~~material breach or~~ violation of the ~~other party's~~agent's obligations ~~under this Agreement, the other party~~to Business Associate, Business Associate shall take ~~any~~reasonable steps ~~reasonably necessary to cure such breach or~~to end ~~such~~the violation~~.~~, and if such steps are unsuccessful, ~~the party shall either (a)~~Business Associate must terminate ~~this agreement,~~the arrangement if feasible~~, pursuant to paragraph 12, or (b) if termination is not feasible, report the breach or~~ .

(i) *Mitigation of Unauthorized Uses or Disclosures.* Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate or one of its agents or subcontractors in violation of the requirements of this Agreement.

(j) *Authorized Access to* ~~DHHS.~~*PHI.*

(1) *Individual Requests for Access.* Business Associate shall cooperate with Covered Entity to fulfill all requests by Individuals for access to the Individual's PHI. Business Associate shall cooperate with Covered Entity in all respects necessary for Covered Entity to comply with 45 C.F.R. § 164.524 and applicable State law. If Business Associate receives a request from an Individual for access to PHI, Business Associate shall immediately forward such request to Covered Entity.

(2) *Scope of Disclosure.* Covered Entity shall be solely responsible for determining the scope of PHI and/or Designated Record Set with respect to each request by an Individual for access to PHI. In the event that Covered Entity decides to charge a reasonable cost-based fee for the reproduction and delivery of PHI to an Individual, Covered Entity shall deliver a portion of this fee to Business Associate in the event any such reproduction or delivery is made by Business Associate, and in proportion to the amount of work done by Business Associate in producing and delivering the PHI.

(3) *Designated Record Set.* To the extent that Business Associate maintains PHI in a Designated Record Set and at the request of Covered Entity, Business Associate agrees to provide access to PHI in a Designated Record Set to Covered Entity or, as ~~a covered entity, defined by HIPAA, violates the terms and conditions of this Agreement in~~directed by Covered Entity, to an Individual in order to meet the requirements under 45 C.F.R. § 164.524 and applicable State law. If Business Associate maintains PHI in a Designated Record Set, and maintains an Electronic Health Record, then Business Associate shall provide such Designated Record Set in electronic format.

(4) *Patient Right to Amend PHI.* A patient has the right to have Covered Entity amend his/her PHI, or a record in a Designated Record Set for as long as the PHI is maintained in the Designated Record

Set, in accordance with 42 C.F.R. § 164.526. To the extent that Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set at the request of Covered Entity in accordance with 45 C.F.R. § 164.526. Within fifteen (15) business days following Business Associate's amendment of PHI as directed by Covered Entity, Business Associate shall provide written notice to Covered Entity confirming that Business Associate has made the amendments or addenda to PHI as directed by Covered Entity and containing any other information as may be necessary for Covered Entity to provide adequate notice to the Individual in accordance with 45 C.F.R. § 164.526.

(k) *Accounting for Disclosures.* In the event that Business Associate makes any disclosures of PHI that are subject to the accounting requirements of the Privacy Rule, Business Associate shall report such disclosures to Covered Entity within three (3) days of such disclosure. The notice by Business Associate to Covered Entity of the disclosure shall include the name of the Individual, the recipient, the reason for disclosure, and the date of the disclosure. Business Associate shall maintain a record of each such disclosure that shall include: (i) the date of the disclosure, (ii) the name and, if available, the address of the recipient of the PHI, (iii) a brief description of the PHI disclosed and (iv) a brief description of the purpose of the disclosure. Business Associate shall maintain this record for a period of six (6) years and make it available to Covered Entity upon request in an electronic format so that Covered Entity may meet its disclosure accounting obligations under 45 C.F.R. § 164.528. If Covered Entity provides a list of its ~~capacity as a business associate of another covered entity, Business Associate will be in non-~~business associates to an Individual in response to a request by an Individual for an accounting of disclosures, and the Individual thereafter specifically requests an accounting of disclosures from Business Associate, then Business Associate shall provide an accounting of disclosures to such Individual.

~~(b)~~(l) *Secretary's Right to Audit.* Business Associate agrees to keep records, submit compliance reports, and make its internal practices, books, and records relating to the use and disclosure of PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary for purposes of the Secretary determining Covered Entity's and/or Business Associate's compliance with HIPAA, the HIPAA Regulations and the HITECH Act. Business Associate agrees to cooperate with the Secretary if the Secretary undertakes an investigation or compliance ~~with the standards, implementation specifications, and requirements of HIPAA.~~review of Covered Entity. Business Associate shall permit the Secretary access to its facilities, books, records, accounts, and other sources of information, including PHI, during normal business hours. No attorney-client, or other legal privilege will be deemed to have been waived by Business Associate by virtue of this provision of the Agreement. Business Associate shall provide to Covered Entity a copy of any PHI that Business Associate provides to the Secretary concurrently with providing such PHI to the Secretary.

(m) ~~Return~~*Data Ownership.* All PHI shall be deemed owned by Covered Entity unless otherwise agreed in writing.

4. Obligations of ~~PHI upon~~ Covered Entity.

(a) *Notice of Privacy Practices.* Upon written request by Business Associate, Covered Entity shall provide Business Associate with Covered Entity's then current Notice of Privacy Practices.

(b) *Revocation of Permitted Use or Disclosure of PHI.* Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by a patient to use or disclose PHI of Covered Entity, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) *Restrictions on Use or Disclosure of PHI.* Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

(d) *Requested Uses or Disclosures of PHI.* Except for Data Aggregation or Administrative and administrative activities of Business Associate, Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the HIPAA Regulations if done by Covered Entity.

5. Term and Termination.

(a) *Term.* The term of this Agreement shall be coterminous with the Services Agreement. However, Business Associate shall have a continuing obligation to safeguard the confidentiality of PHI received from Covered Entity after the termination of the Services Agreement.

(b) *Termination: ~~Business Associate agrees~~ Without Cause.* Either Party may terminate this Agreement without cause or penalty by the delivery of a written notice from the terminating Party to the other Party. Such termination is effective thirty (30) calendar days from the date that ~~upon~~the other Party receives such notice.

(c) *Termination for Cause.* A breach of any provision of this Agreement by Business Associate shall constitute a material breach of this Agreement and shall provide grounds for immediate termination of this Agreement and/or the Services Agreement, any provision in this Agreement or the Services Agreement to the contrary notwithstanding.

(d) *Judicial or Administrative Proceedings.* Either Party may terminate the Services Agreement, ~~and if feasible, Business Associate shall (a)~~ effective immediately, if (i) the other Party is named as a defendant in a criminal proceeding for a violation of HIPAA, the HIPAA Regulations, the HITECH Act, or other security or privacy laws or (ii) a finding or stipulation that the other Party has violated any standard or requirement of HIPAA, the HIPAA Regulations, the HITECH Act or other security or privacy laws is made in any administrative or civil proceeding in which the Party has been joined.

(e) *Effect of Termination.*

(1) Except as provided in paragraph (2) of this section, upon termination of this Agreement for any reason, Business Associate shall return or destroy all PHI received from~~, or created or received by~~ Covered Entity, or created or received by Business Associate on behalf of Covered Entity. Business Associate shall certify in writing to Covered Entity that such PHI has been destroyed.

~~(1)~~(2) In the event that Business Associate ~~on behalf of, Covered Entity that~~ determines that returning or destroying the PHI is not feasible, Business Associate ~~still maintains in any form and retain no copies of such information or (b) if such~~ shall provide to Covered Entity notification of the conditions that make return or destruction ~~is not feasible,~~unfeasible. Business Associate shall extend the ~~protection~~protections of this Agreement to such PHI and limit further uses and disclosures to those

purposes that make the return or destruction of the PHI ~~feasible~~unfeasible, for so long as Business Associate maintains such PHI.

6. Breach Pattern or Practice. If either Party (the "Non-Breaching Party") knows of a pattern of activity or practice of the other Party (the "Breaching Party") that constitutes a material breach or violation of the Breaching Party's obligations under this Agreement, the Non-Breaching Party shall either (i) terminate this Agreement in accordance with Section 5(c) above, or (ii) take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, the Non-Breaching Party must terminate the Agreement if feasible. The Non-Breaching Party shall provide written notice to the Breaching Party of any pattern of activity or practice of the Breaching Party that the Non-Breaching Party believes constitutes a material breach or violation of the Breaching Party's obligations under this Agreement within three (3) days of discovery and shall meet with the Breaching Party's Privacy Coordinator to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

7. Disclaimer. Covered Entity makes no warranty or representation that compliance by Business Associate with this Agreement, HIPAA, the HIPAA Regulations, or the HITECH Act will be adequate or satisfactory for Business Associate's own purposes. Business Associate is solely responsible for all decisions made by Business Associate regarding the safeguarding of PHI.

8. Certification. To the extent that Covered Entity determines that such examination is necessary to comply with Covered Entity's legal obligation pursuant to HIPAA, the HIPAA Regulations, and the HITECH Act, Covered Entity or its authorized agents or contractors may, at Covered Entity's expense, examine Business Associate's facilities, systems, procedures (including but not limited to review of training procedures for Business Associate's staff) and records as may be necessary for such agents or contractors to certify to Covered Entity the extent to which Business Associate's security safeguards comply with HIPAA, the HIPAA Regulations, the HITECH Act, and this Agreement.

9. Indemnification. In the event the Services Agreement provides for indemnification of the Parties or a Party, then provisions of this Section 9 shall control with respect to the matters contained in this Agreement. Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party (the "Indemnified Party") against all actual and direct losses suffered by the Indemnified Party from any negligence or wrongful acts or omissions, including failure to perform its obligations under this Agreement, by the Indemnifying Party or its employees, directors, officers, subcontractors, agents or other members of its workforce. Accordingly, on demand, the Indemnifying Party shall reimburse the Indemnified Party for any and all actual and direct losses, liabilities, lost profits, fines, penalties, costs or expenses (including reasonable attorneys' fees) which may for any reason be incurred by Indemnified Party or imposed upon the Indemnified Party by reason of any suit, claim, action, proceeding or demand by any third party, as a result of the Indemnifying Party's breach hereunder.

10. Compliance With State Law. Business Associate acknowledges that Business Associate and Covered Entity may have confidentiality and privacy obligations under applicable State law. If any provisions of this Agreement or HIPAA, the HIPAA Regulations, or the HITECH Act conflict with applicable State law regarding the degree of protection provided for PHI and patient medical records, then Business Associate shall comply with the more restrictive requirements.

11. Miscellaneous.

(a) ~~17.~~ *Amendment.* Business Associate and Covered Entity agree to take such action as is necessary to amend this Agreement from time to time to enable the Parties to comply with the requirements of HIPAA, the HIPAA Regulations and the HITECH Act. This Agreement may not be modified, nor shall any provision hereof be waived or amended, except in a writing duly signed and agreed to by Business Associate and Covered Entity.

(b) *Interpretation.* The provisions of this Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HIPAA Regulations, the HITECH Act, the Privacy Rule and the Security Rule. The Parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HIPAA Regulations, the HITECH Act, the Privacy Rule and the Security Rule.

(c) *Entire Agreement.* This Agreement contains the agreement of the Parties hereto and supersedes all prior agreements, contracts and understandings, whether written or otherwise, between the Parties relating to the subject matter hereof. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(d) *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 Business Associate and Covered Entity, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.

Notices~~:~~. All notices ~~and~~or other communications ~~under this Agreement to any Party~~required or permitted hereunder shall be in writing and shall be deemed given or delivered (a) when delivered personally, ~~telecopied (which is confirmed) to that Party at the telecopy number for that Party set forth at the end of this Agreement, mailed by~~against written receipt, (b) if sent by registered or certified mail ~~(return receipt requested) to that Party at the address for that Party set forth at the end of this agreement, mailed by certified mail (~~, return receipt requested~~)~~, postage prepaid, when received, (c) when received by facsimile transmission, and (d) when delivered by a nationally recognized overnight courier service, prepaid, and shall be sent to ~~that Party at~~ the ~~address for that Party~~addresses set forth ~~at~~on the ~~end~~signature page of this Agreement ~~(~~or at such other address ~~for such Party~~ as ~~such Party shall have specified in a notice to the other Parties), or delivered to Federal Express, UPS, or any similar express delivery service for delivery to that Party at that address.~~

~~16. NonWaiver: No failure by any Party to insist upon strict compliance with any term or provision of this Agreement, to exercise any option, to enforce any right, or to seek any remedy upon any default of any other Party shall affect, or constitute a waiver of, any Party's right to insist upon such strict compliance, exercise that option, enforce that right, or seek that remedy with respect to that default or any prior, contemporaneous, or subsequent default. No custom or practice of the Parties at variance with any provision of this Agreement shall affect or constitute a waiver of any Party's right to demand strict compliance with all provisions of this Agreement.~~

~~(c)~~(c) ~~Gender and Number Headings: Where permitted by the context, each pronoun used in this Agreement included the same pronoun in other genders and numbers, and~~ each ~~noun used in this Agreement~~

~~includes the same noun in other numbers. The headings of the various sections of this Agreement are not part of the context of this Agreement, are merely labels to assist in locating such sections, and shall be ignored in construing this Agreement~~Party may designate by written notice to the other by following this notice procedure.

~~(d)~~(f) *Regulatory References*. A reference in this Agreement to a section in the ~~Privacy, Security, Breach Notification, and Enforcement HIPAA Rules at 45 CFR Part 160 and Part 164~~HIPAA Regulations or the HITECH Act means the section as in effect or as amended, and for which compliance is required.

(g) *Assistance in Litigation or Administrative Proceedings*. Business Associate shall make itself, and any subcontractors, employees or agents, available to Covered Entity, at no cost to Covered Entity, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against Covered Entity, its directors, officers or employees based upon a claimed violation of HIPAA, the HIPAA Regulations, the HITECH Act, the Privacy Rule, the Security Rule, or other laws relating to security and privacy, except where Business Associate or its subcontractor, employee or agent is a named adverse party.

~~17.~~ *Subpoenas*. In the event that Business Associate receives a subpoena or similar notice or request from any judicial, administrative or other party arising out of or in connection with this Agreement, including, but not limited to, any unauthorized use or disclosure of PHI, Business Associate shall promptly forward a copy of such subpoena, notice or request to Covered Entity and afford Covered Entity the opportunity to exercise any rights it may ~~*Interpretation.* Any ambiguity in this Agreement shall be interpreted to permit or require compliance with HIPAA.~~

~~18. Counterparts: This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but all of which taken together shall constitute one of the same agreement.~~

~~19. Entire Agreement: This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, among the parties with respect to the subject matter of this Agreement.~~

~~20. Binding Effect: This Agreement shall be binding upon, inure to the benefit of and be enforceable by and against the Parties and their respective heirs, personal representatives, successors, and assigns. Neither this Agreement nor any of the rights, interests, or obligations under this Agreement shall be transferred or assigned by Business Associate without the prior written consent of Covered Entity.~~

(h) ~~Severability Governing Law: With respect to any provision of this Agreement finally determined by a court of competent jurisdiction to be unenforceable, such court shall~~ have ~~jurisdiction to reform such provision so that it is enforceable to the maximum extent permitted by applicable law., and the Parties shall abide by court's determination. In the even that any provision~~under law.

(i) *Survival*. The respective rights and obligations of Business Associate under Section 3 et seq. of this Agreement ~~cannot be reformed, such provision shall be deemed to be severed from this Agreement, but every other provision~~shall survive the termination of this Agreement. In addition, Section 5(e) (Effect of Termination), Section 7 (Disclaimer), Section 9 (Indemnification), Section 10 (Compliance with State Law), Section 11(d) (Notices), Section 11(f) (Assistance in Litigation and Administrative Proceedings), Section 11(g) (Subpoenas), and Section 11(i) (Governing Law) shall survive the termination of this Agreement ~~shall remain in full force and effect.~~.

~~(c)~~(j) *Governing Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of ~~Florida.~~California to the extent that the provisions of HIPAA, the HIPAA Regulations or the HITECH Act do not preempt the laws of the State of California.

~~Relationship of Parties.~~ *[Remainder of Page Intentionally Left Blank]*

21. **IN WITNESS WHEREOF**, each of the undersigned has caused this Agreement ~~does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.~~

22. ~~Survival: All representations, covenants, and agreements in or under this Agreement or any other document~~to be duly executed in ~~connection with the transactions contemplated by this Agreement, shall survive the execution, delivery, and performance of this Agreement and such other documents.~~

23. ~~Further Assurances: Each Party Shall execute, acknowledge or verify, and deliver any and all documents which may from time to time be reasonably requested by the other Party to carry out the purpose and intent of this Agreement.~~

~~II. Marketing Agreement~~

~~[Reserved]~~

~~III. Disclaimer Acknowledgement~~

~~Nothing contained or stated in Degree Wellness Franchises, LLC's ("DEG") Operations Manual and training program should be construed as medical or legal advice. The training program for DEG franchises is for informational purposes only. Any reference with regard to health care services is purely for informational purposes only and DEG expects that you will exercise independent medical judgment when treating clients. All medical related decisions, acts or omissions made by, or in connection with any person in any way associated with you or your franchise will be the decisions of the individual professionals involved and will not be affected by or attributed to DEG. DEG's operational systems are designed to assist you in improving efficiency within your practice, when appropriately implemented. Most of your training is geared toward system implementation and none of DEG's systems are designed to be a substitute for your professional judgment.~~

~~Treatment programs, documentation and coding should only be based upon your professional judgment as to medical necessity as presented via the patient and as required by applicable law. We do not teach or participate in the design or rendering of treatment of patients. Under no circumstances should you implement, recommend, or offer a blanket treatment program to each and every patient that comes into your Studio. This may constitute fraud. Any references we make regarding patient payments is also for educational purposes only. Any specific coding and billing decisions are based on a specific set of material facts and applicable regulations as well as standards of care and clinical documentation and are always subject to the doctor's own professional judgment. We do not teach or participate in coding and billing of claims or any related practices that are not in compliance with applicable state and federal laws and regulations. We explicitly follow the OIG special advisory bulletin: Practices of Business Consultants. We advocate the appeals of incorrectly denied claims.~~

~~DEG is not engaged in rendering legal, accounting, or other professional services or advice. If you require legal advice or other expert assistance, the services of a competent professional person should be sought. DEG is not a law firm. We do not practice law and cannot provide you with legal advice about your patients, taxes, employees, or disputes.~~

~~Agreed and accepted by:~~

~~Signature of Franchisee~~ its name and on its behalf as of the Effective Date.

~~Printed Name~~

~~Acknowledged and agreed by:~~

~~Degree Wellness Franchise, LLC~~

~~By:~~

~~Its:~~

CORPORATION

By:
Name: **Wellness Provider Therapies, P.A.**
Title: Chief Executive Officer

MANAGED SERVICE ORGANIZATION

By:
Name: **[Franchisee Name]**
Title: Chief Executive Officer

EXHIBIT K

EXHIBIT L

MULTI-STATE ADDENDA AND RIDERS

ADDITIONAL DISCLOSURES

CALIFORNIA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF CALIFORNIA

Additional Disclosures Required in California

Registration of this franchise with the Commissioner of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

Section 31125 of the California Franchise Investment Law requires us to give to you a disclosure document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Franchise Agreement.

With respect to the disclosures in Item 3 of the Disclosure Document, neither Degree Wellness Franchise, LLC nor any person identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a *et. seq*., suspending or expelling such persons from membership in that association or exchange.

With respect to the information disclosed in Item 17 of the Disclosure Document:

(i) California Business and Professions Code Sections 20000 and 20043 provide rights to the franchisee concerning termination and non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

(ii) The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101 *et seq.*). No parent, affiliate or other person previously identified in Items 1 or 2 of this Disclosure Document has been involved as a debtor in proceedings under the U.S. Bankruptcy Code or comparable foreign law required to be disclosed in this Item.

(iii) The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

(iv) The Franchise Agreement requires binding arbitration. The arbitration will occur in Duvall County, Florida, with the costs being borne by the losing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the

Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

(v) The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

(vi) You must sign a general release of claims if you transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 through 31516). Business and Professions Code Section 30010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).

(vii) The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

Our website addresses are www.degreewellness.com and [Insert Website]. OUR WEBSITES HAVE NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THESE WEBSITES MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

With respect to the disclosures in Item 19, and pursuant to Cal. Code Regs. tit. 10, § 310.114.1, Degree Wellness hereby supplemented as follows:

THE EARNINGS CLAIMS FIGURE(S) DOES (DO) NOT REFLECT THE COSTS OF SALES, OPERATING EXPENSES, OR OTHER COSTS OR EXPENSES THAT MUST BE DEDUCTED FROM THE GROSS REVENUE OR GROSS SALES FIGURES TO OBTAIN YOUR NET INCOME OR PROFIT. YOU SHOULD CONDUCT AN INDEPENDENT INVESTIGATION OF THE COSTS AND EXPENSES YOU WILL INCUR IN OPERATING YOUR (FRANCHISED BUSINESS). FRANCHISEES OR FORMER FRANCHISEES, LISTED IN THE DISCLOSURE DOCUMENT, MAY BE ONE SOURCE OF THIS INFORMATION.

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.

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

ILLINOIS

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF ILLINOIS

Additional Disclosures Required in Illinois

Illinois law governs the Franchise Agreement. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewals of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, and condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois prohibits the corporate practice of medicine. Unlicensed individuals and entitles are prohibited from owning, operating and maintaining an establishment for the study, diagnosis and treatment of human ailments and injuries, whether physical or mental. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018).

If you are NOT licensed certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a management Agreement with license professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

While you are granted an "exclusive" territory, the Franchisor is not obligated to ensure that no other franchisees conduct business within your "exclusive" territory.

INDIANA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF INDIANA

Additional Disclosures Required in Indiana

With respect to the information disclosed in Item 8 of the Disclosure Document:

a. Indiana Code ("IC") Section 23-2-2.7-1(1) prohibits us from requiring you (if you are a resident of Indiana or a non-resident who will operate a franchise in Indiana) to purchase goods, supplies, inventories, or services exclusively from us or sources designated by us where such goods, supplies, inventories, or services of comparable quality are available from sources other than those

designated by us. However, the (i) publication by us of a list of approved suppliers of goods, supplies, inventories, or services, (ii) the requirement that such goods, supplies, inventories, or services comply with specifications and standards prescribed by us, and/or (iii) our reasonable right to disapprove a supplier does not constitute designation of a source. This above prohibition does not apply to the principal goods, supplies, inventories, or services manufactured or trademarked by us.

b. IC Sections 23-2-2.7-1(4) and 23-2-2.7-2(6) prohibit us from obtaining money, foods, services, or any other benefit from any other person with whom you do business, on account of, or in relation to, the transaction between you and the other person, other than for compensation for services rendered by us, unless the benefit is promptly accounted for and transmitted to you.

With respect to the advertising-related information disclosed in Item 11 of the Disclosure Document, IC Section 23-2-2.7-1(11) prohibits us from requiring you to participate in any (i) advertising campaign or contest, (ii) promotional campaign, (iii) promotional materials, or (iv) display decorations or materials, at an expense that is indeterminate, determined by a third party, or determined by a formula, unless your Franchise Agreement specifies the maximum percentage of gross monthly sales or the maximum absolute sum that you may be required to pay.

With respect to the information disclosed in Item 17 of the Disclosure Document:

a. IC 23-2-2.7-1(5) prohibits us from requiring you to prospectively asset to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability imposed by the Indiana Franchise Act.

b. IC section 23-2-2.7-1(7) prohibits the Franchise Agreement from permitting unilateral termination of your franchise if termination is without good cause or in bad faith. Good cause within the meaning of this paragraph includes any material violation of the Franchise Agreement.

c. IC section 23-2-2.7-1(8) prohibits us from failing to renew your Franchise Agreement without good cause or in bad faith. This provision does not prohibit your Franchise Agreement from providing that it is not renewable upon expiration, or that renewal is conditioned upon your meeting certain conditions specified in the Franchise Agreement.

d. IC section 23-2-2.7-1(9) prohibits us from requiring you to covenant not to compete with us for a period longer than three (3) years or in an area greater than the exclusive area granted by your Franchise Agreement.

e. IC section 23-2-2.7-1(10) prohibits the Franchise Agreement from limiting litigation brought for breach of the Agreement in any manner whatsoever.

f. The choice of law provisions of the Disclosure Document and Franchise Agreement, are subject to the superseding provisions of IC sections 23-2-2.5 and 23-2-2.7.

MARYLAND

Maryland requires that the following risk(s) be highlighted:

Transfer: As a condition of our consent to allow you to transfer your franchise to a third party, we may require you to guarantee the performance of that third party.

The Maryland Franchise Registration and Disclosure Law, COMAR 02.02.08.16L, provides that, as a condition of the sale of a franchise, We may not require you to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under the Franchise Registration and Disclosure Law. Item 17 of the Franchise Disclosure Document is amended by adding: any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement and Franchise Disclosure Document shall be deemed amended so that no release, assignment, novation, waiver or estoppel is required if it would violate the Maryland Franchise Registration and Disclosure Law. Nothing in the franchise agreement, including any acknowledgments or representations, shall be deemed a release or waiver of any right or obligation under the Maryland Franchise Registration and Disclosure Law.

Item 5 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

Item 17 of the Franchise Disclosure Document is amended by adding the following: The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Item 17 of the Franchise Disclosure Document and Article 17 of the Franchise Agreement are amended by adding: any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

Article 17 of the Franchise Agreement is amended to provide as follows: Any lawsuit permitted under this Article shall be brought in the federal or state courts located in the State of Maryland. Item 17 is hereby amended by adding the identical language in the “summary” column of line v.

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.

MICHIGAN

See State Addenda for the State of Michigan located after the cover page of the Franchise Disclosure Document.

MINNESOTA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA

Additional Disclosures Required in Minnesota

The following information is added to the cover page of the Franchise Disclosure Document:
THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 5 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's deficit ratio of current assets to current liabilities, the Minnesota Securities Commissioner has required a financial assurance condition. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

With respect to the disclosures in Items 6 and 17 of the Disclosure Document, regarding termination fees, Minn. Rule 2860.4400J prohibits termination fees. Accordingly, Items 6 and 17 of the Disclosure Document and Section 15 of the Franchise Agreement are hereby amended to remove all provisions regarding termination fees with respect to franchises governed by Minnesota law.

With respect to the disclosures in Item 13 of the Disclosure Document, the Disclosure Document and the Franchise Agreement state that we have discretion to control any litigation or other proceeding arising out of any actual or alleged infringement, challenging, or claim relating to any Mark, and that we will (i) indemnify you against all damages for which you are held liable in any trademark infringement proceeding arising out of your use of any Mark under and in compliance with your Franchise Agreement; and (ii) reimburse for all costs you reasonable incur

in defending the claim; however, you must have timely notified us of the claim, and complied with your Franchise Agreement. Minnesota law requires that the Disclosure Document and Franchise Agreement must state that the franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, and/or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the same.

With respect to the disclosures in Item 17 of the Disclosure Document

(i) The Disclosure Document and Franchise Agreement provisions name Florida law as the governing law, and Florida as the choice of forum and jurisdiction and venue. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation arising from claims under Minnesota franchise laws (Minn. Stat. §§80C.01 through 80C.22) to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(ii) With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. § 80C.14, subds. 3, 4, and 5, which require, except in certain specified cases, (1) 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 and (2) that consent to the transfer of a franchise will not be unreasonably withheld whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees by us.

(iii) Minn. Rule Part 2860.4400J prohibits you from waiving your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(iv) The Disclosure Document and Franchise Agreement state that you must sign in favor of us, officers, directors, agents, and employees, and our affiliates and their officers, directors, agents, and employees, as a condition to renew or transfer your franchise, a release from liability of all claims that you may have against us, our officers, directors, agents, employees, or our affiliates or their officers, directors, agents, and employees, as a condition to renew or transfer your franchise, a release from liability of all claims that you may have against us and/or our officers, directors, agents, and employees under the Franchise Agreement or any other agreement. Minnesota Rule part 2860.4400D prohibits requiring a franchisee to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by the Minnesota Franchise Law, provided that this rule shall not bar the voluntary settlement of disputes. Accordingly, Item 17 of the Disclosure Document and Sections 2.4(c) and 14.5(f) of the Franchise Agreement are hereby revised to exclude any claims arising under the Minnesota Franchise law from any general release of liability that you or may be required to sign in favor of us, our directors, officers, agents, and employees, and our affiliates and their directors, officers, agents, and employees, as a condition to renew the Franchise Agreement, or transfer the Franchise Agreement.

(v) Any limitation on claims period must comply with Minnesota Statute 80C.17 Subd. 5. As such, Section 17.10 of the Franchise Agreement are revised to change the limitation of claims period from two (2) years to three (3) years.

(vi) No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

NEW YORK STATE ADDENDUM TO FDD

1. The following information is added to the cover page of the Franchise Disclosure Document:

   INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

   Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

   A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

   B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for a franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "Termination by a franchisee": "You may terminate the agreement on any grounds available by law."

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum," and Item 17(w), titled "Choice of law":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF NORTH DAKOTA, AS WELL AS TO THE FRANCHISE AGREEMENT

North Dakota Securities Department requires the following statement to be included in the Disclosure Document:

THE SECURITIES COMMISSIONER HAS HELD THE FOLLOWING TO BE UNFAIR, UNJUST OR INEQUITABLE TO NORTH DAKOTA FRANCHISEES (N.D. Cent. Code § 51-19-09):

A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to N.D. Cent. Code § 9-08-06, without further disclosing that such covenants will be subject to the statute.

B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business.

C. Restrictions on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

E. Applicable Laws: Franchise agreements which specify that they are to be governed by the laws of a state other than North Dakota.

F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary & Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Franchise Agreements that require the franchisee to sign a general release upon renewal of the franchise agreement.

I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.

J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

RHODE ISLAND

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF RHODE ISLAND

Additional Disclosures Required in Rhode Island

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision of a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act."

SOUTH DAKOTA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF SOUTH DAKOTA

Additional Disclosures Required in South Dakota

1. With respect to the disclosures in Item 17 of the Disclosure Document, the following provisions apply for franchises in South Dakota:
    a. You will receive 30 days' written notice with an opportunity to cure a breach of the Franchise Agreement, failure to meet performance and quality standard, and failure to make royalty payments before termination.
    b. Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of South Dakota, except in certain instances as provided by law.
    c. Liquidated damage provisions may be unenforceable under South Dakota law. Liquidated damage provisions are void.
    d. Pursuant to SDCL 37-5B-21, any condition, stipulation or provision purporting to waive compliance with, or relieving a person of a duty or liability under, any provision of Chapter 37-5B of South Dakota Codified Law or any rule or order thereunder is void.
2. Item 5 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

VIRGINIA

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF VIRGINIA

Additional Disclosures Required in Virginia

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $349,554 to $687,816. This amount exceed the franchisor's stockholders equity as of March 15, ~~2024~~2025, which is $197,012.

WASHINGTON

ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT FOR THE STATE OF WASHINGTON

Additional Disclosures Required in Washington

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

Item 5, is supplemented by the following:

Based upon the franchisor's financial condition, The Washington Securities Division has required financial assurance condition. This requires us to defer payment of the initial franchise fee and other initial payments owed by franchisee to the franchisor until the franchisee has completed is pre-opening obligations under the franchise agreement and the Studio opens for business. In addition, the collection of all development fees and payments by area developers shall be prorated, with a portion of the development fee being collected after each unit opens.

Item 6 is supplemented with the following:

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated, or actual, costs in effecting a transfer. The Transfer Fee is subject to state law

Franchisee is only responsible for attorney's fees in the event Franchisor is the substantially prevailing party in a legal action as applicable by state law.

With respect to a Termination Fee, any portion of the damage calculation that was based on Fund contributions, shall be contributed to the Fund.

With respect to Liquidated Damages, such damages will be limited to actual damages.

Item 17(d) of the Franchise Disclosure Document, regarding termination by a franchisee of a franchise agreement – is revised to state that such provision is subject to Washington law.

Items 17(q) and (r) of the Franchise Disclosure Document, regarding non-competition covenants during and after the term of the franchise, is revised to state that such provisions are subject to Washington law.

The franchisor may use the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

ILLINOIS

ILLINOIS AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("Franchisor"), a Delaware limited liability company, with its principal office at 200 Riverside Ave., Jacksonville, FL 32202 and _____ ("you" or "Franchisee"). Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

Illinois law governs the Franchise Agreement. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewals of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, and condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois prohibits the corporate practice of medicine. Unlicensed individuals and entitles aer prohibited from owning, operating and maintaining an establishment for the study, diagnosis and treatment of human ailments and injuries, whether physical or mental. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018).

If you are NOT licensed certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a management Agreement with license professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

While you are granted an "exclusive" territory, the Franchisor is not obligated to ensure that no other franchisees conduct business within your "exclusive" territory.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR:

Degree Wellness Franchise, LLC, a Delaware limited liability company

_____

By:

Title:

FRANCHISE OWNER:

_____

_____

By:

Title:

MARYLAND AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Franchise Agreement (the "**Franchise Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("Franchisor"), a Delaware limited liability company, with its principal office at 200 Riverside Ave., Jacksonville, FL 32202 and _____ ("you" or "Franchisee"). Defined terms contained in the Franchise Agreement shall have the identical meanings in this Amendment.

1. Any provision requiring you to sign a general release of any and all claims against us shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any provision requiring you to bring an action against us in any state other than Maryland shall not apply to claims arising under the Maryland Franchise Registration and Disclosure Law. You may bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Section 14-226 of the Maryland Franchise Registration and Disclosure Law, prohibits us from requiring a prospective franchisee to assent to any release, estoppel or waiver of liability as a condition of purchasing a franchise. Any provisions which requires a prospective franchisee to disclaim the occurrence and/or non-occurrence of acts that would constitute a violation of the Maryland Franchise Registration and Disclosure Law, in order to purchase a franchise are not intended to, nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

4. Notwithstanding anything to the contrary set forth in the Agreement, any general release the Franchisee is required to assent to is not intended to nor shall it act as a release, estoppel or waiver of any liability we may have incurred under the Maryland Franchise Registration and Disclosure Law.

5. The Franchise Agreement is amended by the addition of the following language to the original language that appears in the choice of law language therein:

> "This section shall not in any way abrogate or reduce any of your rights as provided for in Section 14-216(c)(25) of the Maryland Franchise Registration and Disclosure Law,
>
> including the right to submit matters to the jurisdiction of the Courts of Maryland."

6. Item 6 of the Franchise Agreement is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

7. Notwithstanding anything to the contrary set forth in the Agreement, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

8. In the event of any conflict between the terms of this Amendment and the terms of the Agreement, the terms of this Amendment shall prevail.

8. The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

9. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Amendment.

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.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR:

Degree Wellness Franchise, LLC, a Delaware limited liability company

_____

By:

Title:

FRANCHISE OWNER:

_____

_____

By:

Title:

MINNESOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS ADDENDUM TO FRANCHISE AGREEMENT (the "Addendum") is made and entered into this _____ day of _____, 20__, by and between Degree Wellness Franchise, LLC, a Delaware limited liability company ("**Franchisor**"), and _____, a _____ corporation/limited liability company/partnership (circle one) ("**Franchise Owner**") (collectively, Franchisor and Franchise Owner are referred to hereinafter as the **"Parties"**), and is attached to and made part of that certain Franchise Agreement dated _____, 20__, (the **"Agreement**") between the Parties.

A. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor from requiring litigation from claims arising under Minnesota franchise laws (Minn. Stat. §§80C.01 through 80C.22) to be conducted outside Minnesota, requiring a waiver of jury trial, and prohibits Franchisor from requiring the Franchise Owner to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Agreement or Franchise Disclosure Document can abrogate or reduce any of Franchise Owner's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchise Owner's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

B. With respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. § 80C.14, subds. 3, 4, and 5, which require, except in certain specified cases, that (1) Franchise Owner be given ninety (90) days' notice of termination (with sixty (60) days to cure) and one-hundred eighty (180) days' notice for non-renewal of the Agreement and (2) consent to the transfer of a franchise by Franchise Owner will not be unreasonably withheld whenever the franchisee to be substituted meets the present qualifications and standards required of the franchisees by us.

C. Minnesota considers it unfair to not protect Franchise Owner's right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). Franchisor will protect Franchise Owner's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols, and/or indemnify Franchise Owner from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the same.

D. Minnesota Rules 2860.4400(D) prohibits Franchisor from requiring Franchise Owner to assent to a general release. Articles 2.4(c) and 14.5(f) of the Agreement require Franchise Owner and its Principal Owners (as defined in Section 1 of the Franchise Agreement) to sign, in favor of Franchisor, its officers, directors, agents, and employees, and its affiliates and their officers, directors, agents, and employees, as a condition to renew or Transfer (as defined in Section 14.4 of the Agreement) the Agreement, a release from liability of all claims that Franchise Owner and its Principal Owners may have against Franchisor, its officers, directors, agents, and employees, and its affiliates and their officers, directors, agents, and employees. Specifically, Minn. Rule 2860.4400D prohibits a franchisor from requiring a prospective franchisee agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability imposed by Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22 (the **"Minnesota Franchise Law"**). Accordingly, (1) Article 2.4(c) of the Agreement is hereby amended to require Franchise Owner and its Principal Owners to sign as a condition to renew this Agreement, and (2) Article 14.5(f) of the Agreement is hereby amended to require Franchise Owner and its Principal Owners to sign, as a condition to Transfer the Agreement: a general release from liability for any and all claims that that Franchise Owner and its Principal Owners may have against Franchisor,

its officers, directors, agents, or employees, and Franchisor's affiliates or their officers, directors, agents, or employees, except those claims arising under the Minnesota Franchise Law.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

E. Section 6 of the Franchise Agreement is supplemented by the following: Based upon the franchisor's financial condition, the Minnesota Securities Commissioner has required a financial assurance condition. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Addendum as of the day and year first above written.

FRANCHISOR:

Degree Wellness Franchise, LLC,
a Delaware limited liability company,

_____

By:
Title:

FRANCHISE OWNER:

_____

_____

By:
Title:

SOUTH DAKOTA AMENDMENT TO FRANCHISE AGREEMENT

THIS AMENDMENT TO FRANCHISE AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Franchise Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Item 6 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the South Dakota Securities Regulation Office has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR **DEGREE WELLNESS FRANCHISE, LLC**	**DEVELOPER**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

WASHINGTON ADDENDUM TO FRANCHISE AGREEMENT, AND RELATED AGREEMENTS

THIS ADDENDUM TO FRANCHISE AGREEMENT, AND RELATED AGREEMENTS (the **"Addendum"**) is made and entered into this _____ day of _____, 20__, by and between Degree Wellness Franchise, LLC, a Delaware limited liability company ("**Franchisor**"), and _____, a _____ corporation/limited liability company/partnership (circle one), ("**Franchise Owner**") (collectively, Franchisor and Franchise Owner are referred to hereinafter as the "**Parties**"), and is attached to and made part of that certain Franchise Agreement dated _____, 20__, (the "**Agreement**") between the Parties.

A. **Conflict Laws**. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

B. **Franchisee Bill of Rights**. RCW 19.100.180 may supersede the Agreement including the areas of termination and renewal of the franchise. There may also be court decisions which may supersede the Agreement including the areas of termination and renewal of the franchise.

C. **Site of Arbitration, Mediation, and/or Litigation**. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Agreement, the Franchise Owner may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

D. **General Release**. A release or waiver of rights executed by Franchise Owner may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the Agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

E **Statute of Limitations and Waiver of Jury Trial**. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

F **Transfer Fees.** Transfer fees are collectable to the extent that they reflect Franchisor's reasonable estimated or actual costs in effecting a transfer.

G. **Termination by Franchisee**. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

H. **Certain Buy-Back Provisions**. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

I. **Fair and Reasonable Pricing**. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

J. **Waiver of Exemplary & Punitive Damages**. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

K. **Franchisor's Business Judgement**. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

L. **Indemnification**. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

M. **Attorneys' Fees**. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

N. **Noncompetition Covenants**. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of Franchise Owner, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of Franchise Owner under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

O. **Nonsolicitation Agreements**. RCW 49.62.060 prohibits Franchisor from restricting, restraining, or prohibiting Franchise Owner from (i) soliciting or hiring any employee of a franchisee of the same Franchisor or (ii) soliciting or hiring any employee of the Franchisor. As a result, any such provisions contained in the Agreement or elsewhere are void and unenforceable in Washington.

P. **Questionnaires and Acknowledgments**. 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.

Q. **Prohibitions on Communicating with Regulators**. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

R. **Advisory Regarding Franchise Brokers**. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

S. **Fee Deferral**. Section 6 of the Franchise Agreement is amended to provide that all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

T. **Limitation of Indemnification**. Section 8.3(d) of the Franchise Agreement is amended to provide that a Franchisee need not indemnify the Franchisor for the Franchisor's own negligence, willful misconduct or strict liability.

U. **Liquidated Damages**. Section 17.8(b) of the Franchise Agreement is amended to provide that a Liquidated Damages will be limited to actual damages.

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Addendum as of the day and year first above written.

FRANCHISOR:

Degree Wellness Franchise, LLC, a Delaware limited liability company

_____

By:
Title:

FRANCHISE OWNER:

_____

_____

By:
Title:

CALIFORNIA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____ by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

DEGREE WELLNESS FRANCHISE, LLC	**DEVELOPER**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

ILLINOIS AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____ by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Illinois law governs the Franchise Agreement. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewals of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, and condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise disclosure Act or any other law of Illinois is void.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Illinois prohibits the corporate practice of medicine. Unlicensed individuals and entitles aer prohibited from owning, operating and maintaining an establishment for the study, diagnosis and treatment of human ailments and injuries, whether physical or mental. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018).

If you are NOT licensed certified in Illinois to provide services of the nature described in this disclosure document, you must negotiate the terms of a management Agreement with license professionals who will provide the services that this franchised business offers. Retain an experienced attorney who will look out for your best interests in this business venture.

While you are granted an "exclusive" territory, the Franchisor is not obligated to ensure that no other franchisees conduct business within your "exclusive" territory.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

DEGREE WELLNESS FRANCHISE, LLC	**DEVELOPER**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

MARYLAND AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Item 2 of the Development Agreement is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR	**DEVELOPER**
DEGREE WELLNESS FRANCHISE, LLC	_____
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

MINNESOTA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Franchisee**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Section 3 of the Development Agreement is supplemented by the following: Based upon the franchisor's financial condition, the Minnesota Securities Commissioner has required a financial assurance condition. Therefore, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR **DEGREE WELLNESS FRANCHISE, LLC**	**DEVELOPER** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Reserved

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR **DEGREE WELLNESS FRANCHISE, LLC**	**DEVELOPER** _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SOUTH DAKOTA AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____, is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____, by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

Item 2 of the Franchise Disclosure Document is supplemented by the following: Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement. "In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

FRANCHISOR **DEGREE WELLNESS FRANCHISE, LLC**	**DEVELOPER**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

WASHINGTON AMENDMENT TO DEVELOPMENT AGREEMENT

THIS AMENDMENT TO DEVELOPMENT AGREEMENT ("**Amendment**") dated _____ is intended to be a part of, and by this reference is incorporated into that certain Development Agreement (the "**Development Agreement**") dated _____ by and between Degree Wellness Franchise, LLC ("**Franchisor**"), a Delaware limited liability company, with its principal office in Jacksonville, Florida, and _____ ("**you**" or "**Developer**"). Defined terms contained in the Development Agreement shall have the identical meanings in this Amendment.

A. Section 6 of the Franchise Agreement is amended to provide that all development fees and initial payments by area developers shall be deferred until the first franchise under the development agreement opens.

IN WITNESS WHEREOF, the parties have executed this Amendment on the date first shown above.

DEGREE WELLNESS FRANCHISE, LLC	**DEVELOPER**
By:_____	By: _____
Name: _____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

EXHIBIT M
SAMPLE STUDIO MANAGEMENT AGREEMENT

[SUBJECT TO COMPLETION PER APPLICABLE LAW]

[INSERT UPPER STUDIO FIELD] MANAGEMENT AGREEMENT

This Studio Management Agreement (the "Agreement"), made to be effective as of _____, by and between *[the Degree Wellness Franchisee]*, which with its successors and assigns is herein called "Management Company", and *[the professional corporation]*, which with its successors and assigns is herein called "Licensed Provider", is to EVIDENCE THAT:

WHEREAS, Management Company has entered into a Franchise Agreement (the "Franchise Agreement") with Degree Wellness Franchise, LLC ("Degree Wellness"), dated as of the date of this Agreement, whereby Degree Wellness grants to Management Company a franchise (the "Franchise") to operate a Studio Management Business and the right to use Degree Wellness's business model, services and products (the "System") and Marks (as defined in Section 4.2 below);

WHEREAS, Licensed Provider desires to provide health care and wellness services utilizing Degree Wellness's System and Marks, and Licensed Provider requires the provision of certain management, administrative, and similar services; and

WHEREAS, Management Company and Licensed Provider desire to enter into an arrangement under the terms and conditions stated in this Agreement whereby Management Company can provide (or cause to be provided) certain the management, administrative and similar services requested by Licensed Provider and whereby Licensed Provider can provide health care and wellness services using the System and Marks at the Licensed Provider's Studio business, which may be carried out directly by the Licensed Provider or through an entity authorized to carry out such business (the "Studio").

NOW, THEREFORE, in consideration of the foregoing statements and the mutual covenants and promises made in this Agreement and for other valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Management Company and Licensed Provider (herein collectively called the "Parties" and individually called a "Party") hereby agree as follows:

1. Agreement Term.

1.1 The initial term of this Agreement shall commence as of the date first written above and continue until _____ *[end of Franchise Agreement Initial Term]*, unless terminated or renewed as provided in this Agreement.

1.2 This Agreement will automatically renew for additional one (1) year periods following the end of the initial term unless Management Company or Licensed Provider provides written notice of non-renewal at least 60 days prior to the end of the initial term or current renewal term.

1.3 The initial term and any renewal terms are referred to herein as the "Agreement Term."

2. Management Company Responsibilities.

2.1 For purposes of this Agreement, the phrase "Management Company Services" specifically includes the following, except to the extent any of the foregoing would constitute Clinical Services (as defined in Section 3.1 below): *[Subject to change in order to comply with applicable law]*

(a) Acquiring the site for Management Company and Licensed Provider to provide their respective services for the operation of the Studio under this Agreement (the "Premises"). The Premises shall comply in all respects with Degree Wellness's System requirements. Management Company shall perform all tenant responsibilities under the lease agreement for the Premises (or similar responsibilities if Management Company owns the Premises), including, but not limited to, paying rent, acquiring and maintaining connections to utilities, phone and internet services, and performing, or causing to be performed, maintenance, repair, replacement, and janitorial services;

(b) Acquiring all fixtures, equipment, and furnishings necessary for the operation of a Degree Wellness Studio Management Business and the operation of the Studio, and maintaining, repairing, and replacing such fixtures, equipment, and furnishings;

(c) Developing and implementing a business plan for the Studio and managing the operational workflow of the Studio business, specifically, scheduling patient appointments and responding to patient inquiries, determining fees charged for the provision of supplies and devices to patients, assisting the Licensed Provider in the billing and the collection of fees payable for Licensed Provider's provision of the Clinical Services, devices, and supplies to patients pursuant to Section 3.1(c), arranging for participation in discount medical plan organizations, including collection of fees from third party payors, and maintaining patient records, including the confidentiality thereof, under the direction of Licensed Provider, pursuant to Section 3.1(d) below;

(d) Providing office management for the Studio, including purchasing supplies (including office and heath care supplies), computer and peripherals, practice management software, off-the-shelf software, general secretarial services, answering telephones and responding to emails and facsimiles, and procuring uniforms;

(e) Hiring, training, scheduling, supervising and managing all administrative and office staff of the Studio Management Business and the Studio, as applicable, and ensuring that the Studio Management Business and Studio business are sufficiently and adequately staffed; provided, however, that Licensed Provider, and not Management Company, shall be solely responsible for assigning and supervising staff for purposes of providing the Clinical Services;

(f) Administering payroll and all insurance and fringe benefit plans of Licensed Provider and any employees of Licensed Provider;

(g) Billing and collecting fees charged by Licensed Provider for the Clinical Services, or for other goods or services sold at or through the Studio, in compliance with all laws and regulations and all requirements under third party payor contracts and requirements, depositing payments made by patients and third party payors to the Studio into a bank account meeting Management Company's requirements (the "Licensed Provider Account");

(h) Performing all bookkeeping and accounting for the Studio Management Business and the Studio operations, including maintaining records, preparing any required financial reports, billing and collection of expenses, preparing and filing all federal, state, and local sales, payroll,

and business tax returns of the Studio Management Business and Studio/Licensed Provider, except such fees which shall remain the responsibility of Licensed Provider pursuant to Section 3.1(e);

(i) Managing and establishing advertising, promotions, and marketing programs for the Studio, subject to Licensed Provider's confirmation as to compliance with applicable laws, rules and regulations;

(j) Obtaining and managing Licensed Provider's malpractice insurance and other necessary insurance coverages set forth in Section 8, including the payment of applicable premiums and deductibles; and

(k) Applying funds transferred to it from the Licensed Provider Account to pay the designated operating expenses of the Studio.

2.2 During the Agreement Term, Management Company shall provide Licensed Provider the Management Company Services in compliance with the terms and conditions set forth in this Agreement and the Franchise Agreement, and all applicable laws, rules and regulations. Licensed Provider hereby grants to Management Company the right and authority, and designates Management Company as its attorney-in-fact, to sign all documents on behalf of Licensed Provider to the extent necessary to provide the Management Company Services to Licensed Provider hereunder and to perform Management Company's duties and obligations under this Agreement.

3. Licensed Provider Responsibilities.

3.1 During the Agreement Term, Licensed Provider shall provide the Licensed Provider Services in compliance with the terms and conditions set forth in this Agreement and all applicable laws, rules and regulations. For purposes of this Agreement, the phrase "Licensed Provider Services" specifically includes the following: *[Subject to change in order to comply with applicable law]*

(a) Performing all health care services (as such term is defined by applicable state laws and regulations) provided at the Studio (collectively, the "Studio Services"). Licensed Provider shall devote his/her best efforts to the Studio business and shall provide, and create billing and coding records for, the heath care services, and any additional services required by the Management Company, in a professional manner, in compliance with all laws, rules and regulations, applicable System requirements, all requirements under third party payor contracts, and the generally accepted standards of care for the area in which the Premises is located;

(b) Maintaining at all times during the Agreement Term all licenses, certifications and accreditations necessary to provide the Studio Services, including obtaining any additional licenses, certifications and accreditations and complying with all continuing education requirements required to remain in good standing with applicable state boards;

(c) Causing the money in the Licensed Provider Account to be transferred at the end of each day into Management Company's operating account, and granting Management Company such rights as are necessary for Management Company to have access to all information regarding the Licensed Provider Account and to cause funds to be transferred on a daily basis as provided above;

(d) Maintaining patient contact, payment, health, billing and coding records (the "Patient Records"), including the confidentiality thereof, in compliance with all applicable laws, rules and regulations, and granting Management Company access to the Patient Records for

performance of Management Company's Management Company Services pursuant to a HIPAA Business Associate Agreement in the form provided by Management Company, so long as such access is not prohibited by law. At all times during the Agreement Term, the Patient Records shall remain the property of the Licensed Provider;

(e) Reviewing and approving all marketing and advertising material and promotions for compliance with applicable laws, rules and regulations; and

(f) Paying all other necessary fees and charges that are not the responsibility of Management Company pursuant to Section 2 above and that are approved by Management Company, specifically including Licensed Provider's salary and fringe benefits (and, if applicable, the Studio's employees' salary and wages and fringe benefits), the Studio's payroll taxes and other withholding items, and Licensed Provider's and/or the Studio's income taxes.

3.2 Licensed Provider agrees that during the term of this Agreement, it will not obtain from any third parties any services that are the same as, or similar to, the Management Company Services.

3.3 All payments received by Licensed Provider for the provision of the Licensed Provider Services is assigned and belongs to Management Company, including any such payments arising from intellectual property, inventions, and teaching revenues created or carried out by Licensed Provider in the course of performing the Licensed Provider Services.

4. Grant of Limited Rights to Licensed Provider.

4.1 Management Company hereby grants Licensed Provider a revocable, non-assignable license to use the Premises, and all fixtures, equipment, and furnishings located therein, during the Agreement Term. The license to use the Premises granted by this Section 4.1 is not a lease or sublease of the Premises and this Agreement shall not be interpreted to create a landlord and tenant relationship between Management Company (or the owner of the Premises) and Licensed Provider or to give Licensed Provider any right to continued use, possession or occupancy of the Premises, except to the extent expressly stated in this Agreement. This license shall be deemed to end automatically upon the termination of this Agreement. Licensed Provider shall use all fixtures, equipment and furnishings granted by this Section 4.1 in the manner in which they are intended and in compliance with all rules and requirements of Management Company and, if applicable, its landlord; provided, however, that in all cases Licensed Provider shall have the discretion and authority to use such fixtures, equipment and furnishings to provide Studio Services only as deemed necessary or advisable by Licensed Provider in his/her discretion. Licensed Provider shall return to Management Company the Premises, fixtures, equipment, and furnishings in the same condition, reasonable wear and tear excepted, as they were in as of the date of this Agreement.

4.2 With the prior consent of Degree Wellness, Management Company hereby grants Licensed Provider a revocable, non-assignable and non-exclusive sub-license to use certain identifying trade and service marks, names, service marks and other commercial symbols, including the mark "Degree Wellness" and certain associated designs, artwork, and logos (as may be changed by Degree Wellness from time to time, the "Marks"), as well as certain System materials, forms, intellectual property and décor items, during the Agreement Term. Licensed Provider hereby agrees to use the Marks in accordance with all applicable laws, rules and regulations, in accordance with the rules and requirements of Degree Wellness, and under the

direction of Management Company. Licensed Provider acknowledges and agrees that it has no right, title or interest in or to the Marks, or any System materials, forms, intellectual property and décor items, and that Degree Wellness is the sole owner thereof. This license shall be deemed to end automatically upon the termination of this Agreement.

4.3 Licensed Provider shall not assign any of its rights to use the Premises, the Marks, the System, or any other items licensed to Licensed Provider pursuant to Section 4 of this Agreement to any third party, and Licensed Provider shall not create or cause to be created any lien or encumbrance on the Premises, the Marks, the System, or any other licensed item identified in this Section 4.

5. Fees and Other Charges for Management and Administrative Services.

5.1 In consideration for Management Company's performance of the Management Company Services and the grant of the licenses and sub-license set forth in Section 4, Licensed Provider hereby agrees to pay Management Company a management fee (herein called the "Management Fee"), which shall be the amount equal to the Gross Revenues of the Studio Management Business remaining after subtracting costs associated with Licensed Provider's salary and fringe benefits (and, if applicable, the Studio's employees' salary and wages and fringe benefits) as approved by Management Company, the Studio's payroll taxes and other withholding items, and any other Studio operating costs incurred by the Studio in accordance with this Agreement.

(a) As used herein "Gross Revenues" shall mean the total of all revenue and receipts derived from the operation of the Studio, including all amounts received at or away from the site of the Studio or through the business the Studio conducts (such as fees for Studio Services, fees for the sale of any other services, gift certificate sales, and revenue derived from products sales, whether paid in cash or by check, credit card, or debit card, or other credit transactions); and excludes only sales taxes collected from patients and paid to the appropriate taxing authority, and any patient refunds and credits the Studio actually makes.

5.2 The Management Fee shall be paid to Management Company from the money transferred each day from Licensed Provider's Account into Management Company's operating account pursuant to Section 3.1(c).

5.3 The Management Fee, or any other fees due and payable under this Agreement, are not intended to be, and shall not be interpreted to be, payment for the referral of patients or recommendation of a referral of patients from Management Company to Licensed Provider or from Licensed Provider to Management Company.

6. Representations and Warranties.

6.1 Licensed Provider hereby makes the following representations and warranties:

(a) Licensed Provider (or, if Licensed Provider is an entity, all owners, members, or individuals employed of/by Licensed Provider who will be providing the Clinical Services under this Agreement) is not a party to any agreement or instrument that would prevent Licensed Provider from entering into or performing Licensed Provider's duties in any way under this Agreement. Licensed Provider and/or its authorized employees are duly licensed and in good

standing to provide the Clinical Services in the state in which the Premises is located, and will remain licensed and in good standing at all times during the Agreement Term;

(b) If Licensed Provider is an entity, this Agreement has been authorized by all necessary corporate action of Licensed Provider, and is a valid and binding agreement of Licensed Provider enforceable in accordance with its terms, and the individual signing on behalf of Licensed Provider is duly authorized to enter into and executed this Agreement; and

(c) Licensed Provider shall immediately disclose to Management Company in writing as soon as is possible after, but in any case within 5 days of, (1) the commencement of any action, suit, or proceeding, and/or of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental unit (including regulatory boards or professional groups), that may adversely affect Licensed Provider and/or the Studio's operation, financial condition, or reputation, including, without limitation, any and all claims of malpractice brought against Licensed Provider or any person affiliated with Licensed Provider, regardless of the nature of the claim, anticipated outcome or remedies sought; and/or (2) Licensed Provider's receipt or knowledge any notice of violation of any law, ordinance, or regulation relating to health or safety.

6.2 Management Company hereby makes the following representations and warranties:

(a) This Agreement has been authorized by all necessary corporate action of Management Company, and is a valid and binding agreement of Management Company enforceable in accordance with its terms, and the individual signing on behalf of Management Company is duly authorized to enter into and executed this Agreement; and

(b) The Franchise Agreement is in full force and effect and Degree Wellness has been provided with a true, correct and complete copy of this Agreement and has approved it as to form and content (provided, however, that Licensed Provider and Management Company acknowledge and agree that such consent does not mean Degree Wellness has reviewed or approved the legality of this Agreement with respect to applicable state or local laws governing Licensed Provider or agreements of this nature).

6.3 The Parties expressly acknowledge and agree that Management Company makes no express or implied warranties regarding the quality of Management Company Services rendered to Licensed Provider under this Agreement, or with respect to the income or profit to be earned by Licensed Provider or the Studio.

7. Practice of Medicine.

7.1 Notwithstanding anything to the contrary in this Agreement, Licensed Provider shall have exclusive authority and control, and be free to exercise his/her professional judgment, over the health care services and the practice of medicine at the Studio, including all treatments, diagnosis, policies, and ethical determinations which are required to be decided by a licensed professional. Licensed Provider shall further have the discretion and authority to choose which medical equipment and devices are used in connection with providing the health care services; provided, however, that Licensed Provider acknowledges that it has reviewed and approved all fixtures, equipment and devices located at the Premises and agrees that if Licensed Provider chooses to utilize other medical equipment or devices, it shall do so at its own cost, expense and risk.

7.2 Management Company shall not be permitted or required to engage in the health care services and/or any activities that constitute the practice of medicine, so long as applicable

laws and regulations prohibit the same. Any delegation of authority by Licensed Provider to Management Company that would permit or require Management Company to practice medicine or other health care services at the Premises shall be prohibited. Nothing in this Agreement shall be construed to permit the Management Company to control, influence, or otherwise affect Licensed Provider's rendering of the health care services and any provision of this Agreement which may be interpreted or deemed to constitute Management Company's practice of medicine shall be null, void, and of no force and effect, and such invalid or unenforceable provision will be reformed and construed by limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law.

7.3 THE PARTIES HAVE MADE ALL REASONABLE EFFORTS TO ENSURE THAT THIS **AGREEMENT** COMPLIES WITH ANY APPLICABLE STATE LAWS AND REGULATIONS THAT PROHIBIT THE CORPORATE PRACTICE OF MEDICINE AND FEE-SPLITTING, AND THE PARTIES HEREBY UNDERSTAND AND AGREE THAT THEY WILL COMPLY WITH ANY CHANGES TO SUCH LAWS DURING THE AGREEMENT TERM. LICENSED PROVIDER SHALL HAVE THE EXCLUSIVE CONTROL AND AUTHORITY OVER THE PRACTICE OF MEDICINE.

7.4 MANAGEMENT COMPANY SHALL HAVE NO CONTROL OR DIRECTION OVER THE NUMBER, TYPE, OR RECIPIENT OF PATIENT REFERRALS MADE BY LICENSED PROVIDER AND NOTHING IN THIS AGREEMENT SHALL BE INTERPRETED AS DIRECTING OR INFLUENCING SUCH REFERRALS. NONE OF MANAGEMENT COMPANY'S SERVICES HEREUNDER SHALL CONSTITUTE OBLIGATIONS OF MANAGEMENT COMPANY TO GENERATE PATIENTS TO LICENSED PROVIDER.

8. Insurance.

8.1 During the Agreement Term, Licensed Provider must maintain in force, under policies of insurance issued by carriers in good standing in the state where the Premises is located: (1) comprehensive commercial general liability and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in conjunction with the operation of the Studio or otherwise in conjunction with the performance of the Licensed Provider Services pursuant to this Agreement, under one or more policies of insurance containing minimum liability coverage of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate; (2) worker's compensation and employer's liability insurance as required by law, with limits equal to or in excess of those required by statute; (3) professional liability (malpractice) insurance, for each doctor providing the Licensed Provider Services, having limits of not less than $1,000,000 per occurrence and $3,000,000 in the aggregate; and (4) any other insurance required by applicable law, rule, regulation, ordinance or licensing requirements. Management Company may periodically increase or decrease the amounts of coverage required under these insurance policies, and/or require different or additional kinds of insurance, including excess liability insurance, to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards, or other relevant changes in circumstances. Licensed Provider agrees that compliance with any state minimum insurance requirements does not relieve Licensed Provider from the obligation to comply with the contractual insurance requirements in this Agreement.

8.2 Licensed Provider must provide Management Company with 30 days' advance written notice of any material modification, cancellation, or expiration of any policy.

8.3 Deductibles must be in reasonable amounts and are subject to review and written approval by Management Company.

8.4 Licensed Provider's commercial general liability insurance policy must be an "occurrence" policy and must name Management Company, Degree Wellness and their respective owners, directors, employees, agents, and affiliates, as an additional insured on a primary and non-contributory basis.

8.5 The malpractice policy for each doctor providing the Licensed Provider Services and/or working at the Studio must be endorsed, to the fullest extent possible, to name Management Company, Degree Wellness and their respective owners, directors, employees, agents, and affiliates, as an additional insured as an additional insured. If any of these policies are written on a "Claims Made" basis, Licensed Provider agrees to purchase and maintain unlimited tail coverage that shall remain in effect following the termination or expiration of this Agreement and/or such policy.

8.6 In accordance with Management Company's obligations in Section 2.1(i), Management Company will provide Licensed Provider with (i) certificates and copies of additional insured endorsements evidencing the existence of such insurance concurrently with execution of this Agreement and from time to time upon demand of Management Company, and (ii) upon Licensed Provider's request stating the reason therefor (such as a claim has been filed), copies of the insurance policies, along with all applicable endorsements.

8.7 Notwithstanding the existence of such insurance, Licensed Provider is and will be responsible for all loss or damage and contractual liability to third persons originating from or in connection with the performance of the Licensed Provider Services or the operation of the Studio, and for all claims or demands for damages to property or for injury, illness or death of persons directly or indirectly resulting therefrom.

8.8. Management Company must maintain any and all insurance coverage in such amounts and under such terms and conditions as may be required in connection with the lease or purchase of the Premises.

8.9. The insurance Management Company requires is for its own protection. Licensed Provider should consult with Licensed Provider's own insurance agents, brokers, and attorneys to determine what types of coverages and what level of insurance protection Licensed Provider may need or desire, in addition to the coverages and minimum limits specified by Management Company. Licensed Provider's obligation to maintain insurance coverage as described in this Agreement will not be reduced in any manner by reason of any separate insurance Management Company maintains on Management Company's own behalf, nor will Management Company's maintenance of Management Company's insurance relieve Licensed Provider of any obligations under this Agreement.

9. Relationship of Parties.

9.1 The Parties hereto are independent contractors and nothing in this Agreement shall be deemed to create any association, partnership, joint venture, principal and agent relationship, master and servant relationship, or employer and employee relationship between the Parties or to provide either Party with the right, power or authority, whether express or implied, to create any such duty or obligation on behalf of the other Party.

9.2 Licensed Provider further agrees not to be treated, or seek to be treated, as an employee of Management Company for any purpose, including for disability income, social security taxes and benefits, Federal unemployment compensation taxes, State unemployment insurance benefits and Federal income tax withholding. Licensed Provider hereby understands and agrees to maintain timely payments of all income taxes due to the Internal Revenue Service and all other government agencies.

9.3 Notwithstanding the fact that Degree Wellness is made a third party beneficiary of Sections 10 and 11.1 and certain other provisions in this Agreement, Licensed Provider and Management Company acknowledge and agree that Degree Wellness is not a party to this Agreement, and that Licensed Provider has no contract or other rights against Degree Wellness with respect to any matter including, without limitation, the operation or profitability of the Studio business, any employee-related matters, and any marketing or other System materials, methods or guidelines.

10. Restrictive Covenants.

10.1 *Types of Confidential Information*. Pursuant to the Franchise Agreement, Management Company possesses a license to use certain unique confidential and proprietary information and trade secrets consisting of the following categories of information, methods, techniques, products, services and knowledge developed by Degree Wellness, including but not limited to: (a) services and products offered and sold at Degree Wellness franchises; (b) knowledge of sales and profit performance of any one or more Degree Wellness franchises; (c) knowledge of sources of products sold at Degree Wellness franchises, (d) advertising and promotional programs and image and decor; (e) methods, techniques, formats, specifications, procedures, information, systems, and knowledge of, and experience in, the development, operation, and franchising of Degree Wellness franchises; (f) copyrighted materials, including, without limitation, office forms and procedures, marketing materials, telephone scripts and the content of Degree Wellness's Operations Manual; and (g) the methods of training employees. Management Company will disclose much of the above-described information to Licensed Provider in the performance of the Management Company Services under this Agreement and the operation of the Studio Management Business. In addition, in the course of the performance of the Licensed Provider Services, Licensed Provider (or its employees) may develop ideas, concepts, methods, or techniques of improvement relating to the Studio Management Business that Licensed Provider agrees to disclose to Management Company, who then may disclose to Degree Wellness to use or authorize others to use in other Degree Wellness franchises owned or franchised by Degree Wellness or its affiliates. (All of such information disclosed to or developed by Licensed Provider will be referred to in this Agreement as the "Confidential Information".)

10.2 *Non-Disclosure Agreement*.

(a) Licensed Provider agrees that its relationship with Management Company does not vest in Licensed Provider any interest in the Confidential Information, other than the right to use it solely in the performance of the Licensed Provider Services during the Agreement Term, and that the use or duplication of the Confidential Information in any other business or for any other purpose would constitute an unfair method of competition or otherwise result in irreparable damage to Management Company and/or Degree Wellness.

(b) Licensed Provider acknowledges and agrees that the Confidential Information belongs to Degree Wellness, may contain trade secrets belonging to Degree Wellness, and is

disclosed to Licensed Provider or authorized for his/her/its use solely on the condition that Licensed Provider agrees, and Licensed Provider therefore does agree, that Licensed Provider (1) will not use, directly or indirectly, the Confidential Information in any business or capacity or for any purpose other than as needed in the performance of the Licensed Provider Services pursuant to and in accordance with this Agreement during and after the Agreement Term; (2) will maintain the absolute confidentiality of the Confidential Information during and after the Agreement Term and not directly or indirectly publish or otherwise disclose it to any third party; (3) will not make unauthorized copies of any portion of the Confidential Information disclosed in written form or another form or media that may be copied or duplicated; and (4) will adopt and implement all reasonable procedures, including any that Degree Wellness or Management Company may prescribe from time to time, to prevent unauthorized use or disclosure of the Confidential Information, including without limitation restrictions on disclosure to or by Licensed Provider's employees, and the use of non-disclosure, non-solicitation, non-disparagement and non-competition agreements Degree Wellness or Management Company may prescribe or approve for Licensed Provider's owners, officers, directors, employees, independent contractors, or agents who may have access to the Confidential Information. Licensed Provider and Management Company acknowledge and agree that Degree Wellness is a third-party beneficiary of the foregoing covenants and agreements, but that Degree Wellness is under no duty or obligation to Licensed Provider or Management Company to enforce any such agreements for its or Degree Wellness's benefit. Licensed Provider's duties and obligations with respect to the Confidential Information shall survive the termination or expiration of this Agreement.

10.3 *Non-Competition Agreement and Other Restrictive Covenants*.

(a) Non-Competition. During the Agreement Term, Licensed Provider will not, directly or indirectly, perform services for, or have any direct or indirect interest as an owner, investor, partner, director, officer, employee, manager, consultant, representative, or agent in, any business that offers products or services the same as or similar to those offered or sold at the Studio. Licensed Provider's duties and obligations under this Section 10.3(a) shall survive for two (2) years following any termination or expiration of this Agreement; provided, however, that following such termination or expiration of this Agreement, this covenant shall only apply with respect to a competitive business that has a place of business located within a five (5) mile radius of the location of the Premises.

(b) Non-Disparagement. Licensed Provider agrees that during the Agreement Term and thereafter, Licensed Provider will not, directly or indirectly, make any negative or critical statements to any third parties, either verbally or in any other form or media, about (a) Management Company, the Studio Management Business, Degree Wellness or any of its franchisees, or any of their respective products, services, businesses or business practices, or (b) the actions, operations or character of any of Management Company's or Degree Wellness's respective owners, officers, directors, employees, consultants or agents.

(c) Non-Solicitation. Licensed Provider agrees that during the Agreement Term, and thereafter for a period of two (2) years following any termination or expiration of this Agreement, Licensed Provider will not, directly or indirectly, (a) solicit for wellness or related services or products with any person who was a patient of the Studio within the two year period prior to such

termination or expiration; or (b) interfere with Management Company's or Degree Wellness's relationship with any of its franchisees, vendors, suppliers or referral sources.

10.4 Licensed Provider further agrees that it will cause Licensed Provider's employees to enter into and deliver to Management Company a "Restrictive Covenant Agreement" in such form as Management Company may prescribe, either concurrently with the execution of this Agreement or at such later date as determined by Management Company.

10.5. Licensed Provider acknowledges and agrees that a breach of any provision of this Section 10 would cause immediate and irreparable harm to Management Company and Degree Wellness. Therefore, Licensed Provider acknowledges and agrees that the foregoing restraints are fair and reasonable, are required for the protection of Management Company's and Degree Wellness's legitimate business interests, and do not impose any undue hardship on Licensed Provider. Degree Wellness shall be deemed to be a third party beneficiary of all of the covenants contained in this Section 10.

11. Indemnification.

11.1 Licensed Provider agrees to defend, indemnify and hold harmless Management Company, Degree Wellness and their respective owners, directors, officers, employees, agents, successors, and assigns (each a "Management Indemnified Party"), from and against any and all claims, lawsuits, demands, actions, causes of action or other events, and for all costs and expenses incurred by the Management Indemnified Party in connection therewith, including without limitation actual and consequential damages, reasonable attorneys', accountants', and/or expert witness fees, cost of investigation and proof of facts court costs, other litigation expenses, and travel and living expenses, to the extent caused by, relating to or otherwise arising out of (1) the effects, outcomes and consequences of Licensed Provider's acts and omissions and the acts and omissions of Licensed Provider's employees, representatives and agents in connection with or relating to the provision of the Licensed Provider Services or the operation of the Studio, (2) any agreements, representations, or warranties Licensed Provider makes to third parties that are not expressly authorized under this Agreement, (3) any damages to any person or property directly or indirectly arising out of the performance of the Licensed Provider Services or the operation of the Studio, whether or not caused by Licensed Provider's negligent or willful action or failure to act or acts or omissions deemed to be professional malpractice, and/or (4) Licensed Provider's breach of any provision of this Agreement. Degree Wellness shall be deemed to be a third party beneficiary of all of the covenants contained in this Section 11.1.

11.2 The indemnification obligations described in this Section 11 will continue in full force and effect after, and notwithstanding, the expiration, renewal or termination of this Agreement.

12. Default and Termination.

12.1 Licensed Provider will be deemed to be in default under this Agreement, and Management Company will have the right to terminate this Agreement effective upon delivery of notice of termination to Licensed Provider, subject only to any right to cure to the extent expressly set forth below, if:

(a) Licensed Provider assigns or transfers this Agreement, or the ownership of Licensed Provider (if an entity) changes, without the prior written consent of Management Company;

(b) Licensed Provider or, if Licensed Provider is an entity, any of its owners, is adjudged a bankrupt, becomes insolvent or makes a general assignment for the benefit of creditors, or fails to satisfy any judgment rendered against it for a period of 30 days after all appeals have been exhausted;

(c) Licensed Provider uses, sells, distributes, or gives away any services or products, or use any patient referral or marketing service, that has not been formally approved by Management Company in writing and in advance;

(d) Licensed Provider or, if Licensed Provider is an entity, any of its owners, is convicted of or pleads no contest to a felony or are convicted or plead no contest to any crime or offense that is likely to adversely affect the reputation of Management Company, the Studio Management Business, Degree Wellness, and/or the goodwill associated with the System or the Marks, or otherwise engages in any dishonest, unethical or other conduct that is reasonably likely to reflect materially and unfavorably on the goodwill or reputation of Management Company, the Studio Management Business, the System or the Marks;

(e) Licensed Provider (or any of Licensed Provider's employees) violates any health or safety law, ordinance or regulation, or performs the Licensed Provider Services in a manner that presents a health or safety hazard to patients or the public;

(f) Licensed Provider does not pay when due any monies owed to Management Company, including the Management Fee, and does not make such payment within 2 days after written notice is given to Licensed Provider;

(g) Licensed Provider (or, if Licensed Provider is an entity, any owner, member, or individual employed of/by Licensed Provider who will be providing the Clinical Services under this Agreement) is no longer licensed and/or in good standing to provide the Clinical Services in the state in which the Premises is located at any time during the Agreement Term;

(h) Licensed Provider (or, if Licensed Provider is an entity, its owners, shareholders, partners, or members) fails to comply with any other provision of this Agreement, any other agreement with Management Company, or any mandatory specification, program, standard or operating procedure within 10 days after written notice of such failure to comply is given to Licensed Provider; or

(i) Licensed Provider, if an individual, dies, becomes permanently disabled, or is temporarily disabled such that he/she fails to operate the Studio on a full-time basis for more than 10 scheduled business days in any 3 calendar month period.

12.2 This Agreement may be terminated by either Party (a) in its sole and absolute discretion upon sixty (60) days' written notice to the other Party, or (b) immediately by written notice to the other Party if such Party reasonably believes, based upon an opinion of qualified legal counsel, that this Agreement is in violation of applicable law; provided, however, that the Parties will negotiate in good faith to amend the Agreement to comply with all such applicable law while still achieving the primary purposes hereof, or (c) immediately by written notice to the other Party upon termination of the Franchise Agreement.

12.3 This Agreement may be terminated by Licensed Provider in the event Management Company fails to comply with any provision of this Agreement within 60 days after written notice of such failure to comply is given to Management Company.

12.4. Upon termination of this Agreement by either Party, Licensed Provider must immediately pay Management Company any and all fees and amounts then due and owing (including the Management Fee), return all Confidential Information to Management Company (and shall neither make nor retain any copies thereof), cease use of all Marks and other elements of the System, provide Management Company's designee with the Patient Records pursuant to Section 15.2 below, and vacate the Premises and return all keys, pass cards and codes to Management Company.

13. Waiver of Certain Damages; Waiver of Trial by Jury.

13.1 Licensed Provider hereby waives to the fullest extent permitted by law, any right to or claim for any indirect, special, consequential, incidental, punitive, exemplary, or treble damages, and other forms of multiple damages, against Management Company and/or Degree Wellness, including without limitation, any economic loss, property damage, physical injury, or lost profits arising out of this Agreement, Licensed Provider's use of the Marks or other elements of the System, or Management Company's provision of the Management Company Services, regardless of whether arising under breach of contract, warranty, tort, strict liability or any other legal or equitable theory or claim, even if such loss or damage could have been reasonably foreseen. Further, Licensed Provider agrees that, except to the extent provided to the contrary in this Agreement, in the event of a dispute between the Parties, Licensed Provider will be limited to the recovery of any actual damages sustained by Licensed Provider. The Parties irrevocably waive trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either Party.

14. Arbitration.

14.1 ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT (INCLUDING A BREACH HEREOF) OR THE OPERATION OF THE Studio MANAGEMENT COMPANY OR THE PERFORMANCE OF THE MANAGEMENT COMPANY SERVICES OR LICENSED PROVIDER SERVICES SHALL BE SETTLED BY BINDING ARBITRATION IN THE CITY IN WHICH THE PREMISES IS LOCATED, IN ACCORDANCE WITH THE RULES OF THE AMERICAN ARBITRATION ASSOCIATION THEN EXISTING. THIS **AGREEMENT** TO ARBITRATE SHALL BE SPECIFICALLY ENFORCEABLE AND THE ARBITRATION AWARD SHALL BE FINAL AND BINDING, AND JUDGMENT MAY BE ENTERED THEREUPON IN ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER OF THE DISPUTE. EACH PARTY TO THE ARBITRATION SHALL PAY SUCH PARTY'S LEGAL FEES AND OTHER COSTS AND EXPENSES OF THE ARBITRATION.

15. Access to Records.

15.1 In accordance with Title 42, Section 1395x(v)(1)(I) of the United States Code, for a period of four (4) years beginning as of the date of the termination of this Agreement, Management Company and/or Licensed Provider shall make available upon written request from the Secretary of the United States Department of Health and Human Services ("USDHHS"), or upon written request from the Comptroller General of the United States General Accounting Office ("USGAO"), or any of their duly authorized representatives, a copy of this Agreement and such books, documents and records as are necessary to certify the nature and extent of the costs of the services provided by Management Company and/or Licensed Provider under this Agreement.

15.2 Upon termination or expiration of this Agreement, Licensed Provider covenants and agrees that it will transfer the original or complete copies of the Patient Records to the designee of Management Company for use by a successor licensed person or entity at the Premises or otherwise, and Management Company and Licensed Provider agree to cooperate with each other regarding the transfer of Patient Records and securing the continuity of patient care.

2.1. **16.** Miscellaneous.

16.1 This Agreement may not be amended or modified except by a written agreement that specifically references this Agreement and is signed by each of the Parties.

16.2 This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof. All prior or contemporaneous oral or other written agreements, negotiations, representations, and arrangements regarding the subject matter hereof are hereby merged into and superseded by this Agreement.

16.3 The provisions of this Agreement are severable, and if any provision should, for any reason, be held invalid or unenforceable in any respect, it will not invalidate, render unenforceable or otherwise affect any other provision, and such invalid or unenforceable provision will be construed by limiting it so as to be valid and enforceable to the maximum extent compatible with, and possible under, applicable law.

16.4 For purposes of this Agreement, the singular includes the plural and vice-versa and the feminine, masculine and neuter include each other. The headings of Sections in this Agreement are provided for convenience only and will not affect its construction or interpretation.

16.5 All notices and other communications hereunder will be in writing and will be sent either by (a) certified mail, postage prepaid, return receipt requested; (b) an overnight express courier service that provides written confirmation of delivery; or (c) facsimile or email with written confirmation by the sending machine or with telephone confirmation of receipt, addressed as follows:

If to Management Company	If to Licensed Provider
_____:	_____:
_____	_____
_____	_____
_____	_____
_____	_____
Attn: _____	Attn: _____
Fax No: _____	Fax No: _____

Any Party may change its address for receiving notice by giving notice of a new address in the manner provided herein. Any notice given under this section, will be deemed to be delivered on the third business day after the same is deposited in the United States Mail, on the next business day if sent by overnight courier, or on the same business day if sent by facsimile before the close of business of the recipient, or the next day, if sent by facsimile after the close of business of business of the recipient.

16.6 No course of dealing between the Parties, no waiver by either Party and no refusal or neglect of either Party to exercise any right hereunder or to enforce compliance with the terms of this Agreement shall constitute a waiver of any provision herein, unless such waiver is expressed

in writing by the waiving Party and is clearly designated as a waiver to a specific provision(s) of this Agreement.

16.7 The laws of the state in which the Premises are located shall govern all disputes, controversies and litigation arising under this Agreement.

16.8 This Agreement may be executed in one or more counterparts, including by facsimile or electronic signature included in an Adobe PDF file, each of which shall be an original and all of which together shall constitute one and the same agreement. The execution of counterparts shall not be deemed to constitute delivery of this Agreement by any party until all of the parties have executed and delivered their respective counterparts.

16.9 The Parties agree (a) to furnish upon request to each other such further information, (b) to execute and deliver to each other such other documents, and (c) to do such other acts and things, all as the other Party may reasonably request for the purpose of carrying out the intent of this Agreement.

16.10 No Party hereto may assign any of its rights or benefits or delegate any of its duties, obligations or liabilities under this Agreement without the prior consent of each of the other Parties hereto; provided, however, that Management Company may assign all of its right, title and interest, in whole or in part, to Degree Wellness or Degree Wellness's designee at any time. This Agreement will apply to, be binding in all respects upon, and inure to the benefit of the heirs, executors, trustees, guardians, personal representatives, successors and permitted assigns of the parties.

IN WITNESS WHEREOF, the Parties have set their hands as of the day and year first above written.

_____ _____

_____ By: _____

_____

_____ Its: _____

_____ Management Company

_____ _____

_____ By: _____

_____

_____ Its: _____

_____

_____ Licensed Provider

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	~~March 20, 2025~~*Pending*
Illinois	*Pending*
Indiana	~~June 12,~~ *Pending*~~**2024**~~
Maryland	~~September 23,~~ *Pending*~~**2024**~~
Michigan	~~July 26,~~ *Pending*~~**2024**~~
Minnesota	~~March 31, 2025~~*Pending*
New York	*Pending*
North Dakota	*Pending*
Rhode Island	~~July 11, 2024~~*Pending*
South Dakota	~~September 23,~~ *Pending*~~**2024**~~
Virginia	~~November 12, 2024~~*Pending*
Washington	*Pending*
Wisconsin	~~June 7,~~ *Pending*~~**2024**~~

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Degree Wellness Franchise, LLC offers you a franchise, it must provide you 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. Rhode Island 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 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting or ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If Degree Wellness Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency listed in Exhibit A of this disclosure document.

The name, principal business address and telephone number of each franchise seller offering the franchise is as follows:

Name	Principal Business Address	Telephone Number
Amanda Watts; Jill Villejoin	200 Riverside Ave., Jacksonville, FL 32202	(904) 469-5977
~~Tom Ryan, Jr.~~	~~6934 Frances St., Ste 105 Omaha NE 68130~~	~~(531) 333-3278~~
~~Kimberly Moreno~~Tom Ryan, Jr.; Kimberly Moreno; Cassandra Gordon; Dana DeMarino; Hannah Mort; Megan Tewes; Kaytlyn Randall; Amie Hawk	6934 Frances St., Ste 105 Omaha NE 68130	(531) 333-3278

The issuance date of this disclosure document is: ~~May 24, 2024~~April 19, 2025~~, as amended January 10, 2025.~~

.The franchisor is Degree Wellness Franchise, LLC, located at Studio. Its telephone number is (734) 619-0919.

Degree Wellness Franchise, LLC authorizes the agents listed in Exhibit A of this disclosure document to receive service of process for it.

I have received a disclosure document dated ~~May 24, 2024~~April 19, 2025~~, as amended January 10, 2025,~~, that included the following Exhibits:

Exhibit A	State Administrators/Agents for Service of Process
Exhibit B	Franchise Agreement
Exhibit C	Development Agreement
Exhibit D	Operations Manual Table of Contents
Exhibit E	List of Degree Wellness Franchisees
Exhibit F	Sample Studio Management Agreement
Exhibit G	Financial Statements
Exhibit H	General Release Agreement
Exhibit I	Transfer Agreement
Exhibit J	Supplemental Agreements
Exhibit K	Multi-State Addenda and Agreement Riders

Date Signature of Franchisee

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Date	Signature of Franchisee