

FRANCHISE DISCLOSURE DOCUMENT



Next Health Franchising LLC
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®

The franchise is the right to develop, own, and operate a health optimization and longevity center that provides or facilitates the provision of health, wellness, medical, aesthetic and related services and treatments, and related products and services. The total investment necessary to begin operation of a NextHealth® center ranges from \$1,596,000 - \$2,195,000. This includes \$356,599 to \$377,099 that must be paid to the franchisor and its affiliates.

Franchisor also offers the right to enter into an area development agreement under which the developer agrees to purchase an agreed upon number of franchises (~~a specific number typically between 3 and 10~~) and open that number of NextHealth centers pursuant to individual franchise agreements. Under the area development agreement, we typically require developers to commit to developing a minimum of 3 outlets and a maximum of 10 outlets. The only investment necessary to begin operation under a development agreement is payment of a development fee equal to 50% of the initial franchise fee for each center you agree to open. Because we provide a discounted initial franchise fee for multi-unit commitments, the development fee will vary depending on the size of your commitment: \$90,000 for 3 centers; \$120,000 for 4 centers; \$100,000 for 5 centers; \$120,000 for 6 centers; \$140,000 for 7 centers; \$160,000 for 8 centers; \$180,000 for 9 centers; \$200,000 for 10 centers; and, incrementally, an additional \$20,000 for each center in excess of 10. The entire investment under a development agreement is paid to 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 disclosures in different formats, contact Next Health Franchising LLC at 955 Carrillo Dr., Suite 100, Los Angeles, California 90048; phone: (310) 295-2075; email: franchise@next-health.com.

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

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

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

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 and the area development agreement require you to resolve disputes with us by arbitration or litigation in California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It also may cost more to arbitrate or litigate with us in California than in your home state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. The franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Inventory/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 that 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 franchised business.
4. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
5. **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.
6. **Spousal Liability** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

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

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will pay us a construction management fee of \$15,000 (the “Construction Management Fee”). The Construction Management Fee is paid in a lump sum when signing the Franchise Agreement, is not refundable, and is uniformly imposed.

Lease Review Fee - \$1,500

If the landlord of the premises at which your Center is located requires changes to our then-current form of lease addendum, a copy of which is annexed to the Operations Manual (as defined in Item 11), you must pay us a lease review fee of \$1,500 to offset the expenses we incur to conduct the review. The lease review fee is payable in a lump sum when you present the revised lease addendum to us for our consideration, is not refundable, and is uniformly imposed.

Technology Fees – \$1,599

We collect a monthly technology fee (the “Technology Fee”) for providing you with access to certain software or technology that is required for the operation of your Center. The amount may change, but the current monthly Technology Fee as of the issuance of this Disclosure Document is \$1,599, and it includes your monthly subscription charges for certain required computer and client management software programs. The Technology Fee is collected in advance, and therefore, you will pay at least your first monthly installment of Technology Fees before your Center commences operations. The Technology Fee is payable in a lump sum each month, is not refundable, and is uniformly imposed.

Medical Director Fee - \$2,500

The Medical Service Manager collects a monthly Medical Director Fee for making a Medical Director available to you. The Medical Director Fee is collected in advance, and therefore, you will pay at least your first monthly installment of Medical Director Fee before your Center commences operations. The Medical Director Fee is payable in a lump sum each month, is not refundable, and is uniformly imposed.

Development Fee - \$90,000 to \$200,000

If you sign an Area Development Agreement, you will pay us, in a lump sum on execution of the agreement, a development fee (“Development Fee”) equal to 50% of the initial franchise fee payable for each NextHealth Center you agree to develop in satisfaction of an agreed upon Development Schedule. ~~The Area Development Agreement will require a commitment to develop a specific number of NextHealth Centers, typically a number between 3 and 10, subject to your and our agreement prior to execution of~~ Under the Area Development Agreement, we typically require developers to commit to developing a minimum of 3 NextHealth Centers and a maximum of 10 NextHealth Centers. Since we provide a discounted initial franchise fee for multi-unit development, the amount of the development fee you are required to pay will depend on the number of NextHealth Centers you commit to develop, calculated as follows:

Number of NextHealth Centers	Initial Franchise Fee per NextHealth Center	Amount of Development Fee
3	\$60,000	\$90,000
4	\$60,000	\$120,000
5	\$40,000	\$100,000

NOTES

1. Except as otherwise noted, all fees are non-refundable and are uniformly imposed by and are payable to us or our affiliates.
2. “Gross Sales” means all revenue generated from the operation of your Center (whether or not in compliance with the Franchise Agreement), regardless of the manner in which the price was paid by the purchaser of such products or services (including payments by cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions), but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from clients and paid to the appropriate taxing authority, (2) the amount of any documented refunds and credits your Center in good faith gives to clients and your employees, and (3) the amount of any discounts from the advertised price that are given at the point of purchase and that are reasonable and, if applicable, are consistent with any discount policies that we may periodically announce as part of the System Standards. Revenue from the purchase or redemption of gift certificates, gift cards, loyalty, or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Center due to a casualty or other event covered by business interruption or similar insurance coverage. Where the laws of the state in which your Center is located restrict your ability to derive revenue from the provision of Medical Services (for example, where you are not a licensed medical provider or where the state prohibits the splitting of fees by licensed medical providers and unlicensed persons), Gross Sales will not include revenue generated from Medical Services provided at your Center or by or under the supervision of your Medical Director.
3. Lost Revenue Damages is calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the royalty fee percentage, multiplied by (3) the highest monthly Gross Sales of your Center during the 36 full calendar months immediately preceding the termination date (or, if the termination is based on your unapproved closure of your Center, the 36 full calendar months immediately preceding the closure date); provided, that if as of the termination date (or the closure date in light of the foregoing), your Center has not been operating for at least 36 months, the highest average monthly Gross Sales of all NextHealth Centers during the 36 months immediately preceding the termination date. Payment of Lost Revenue Damages will not alter or impair any other rights we have under the Franchise Agreement.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(FRANCHISE AGREEMENT)

TYPE OF EXPENDITURES ¹	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ²	\$80,000	Lump Sum	Upon Signing Franchise Agreement	Us
Initial Training & Expenses ³	\$15,000 - \$20,000	As Incurred	As Incurred	Us and Third-party Suppliers
Lease Rental & Security Deposit ⁴	\$50,000 - \$70,000	As Arranged	On and Prior to Execution of Lease	Us and Landlord/Third-party Suppliers

14. This range includes the costs of purchasing and installing the required Computer System (as defined in Item 11), which includes the point-of-sale system, and the monthly technology fees of \$1,599 per month payable to us until the third month after your Center commences operations (see Item 5).

15. This range includes the fees likely to be paid to lawyers and accountants for initial advice, creation of entities and governing documents, and initial accounting set-up.

16. This range includes the Medical Director Fee of \$2,500 per month payable to the Medical Service Manager until the third month after your Center commences operations (see Item 5). Our estimates of the amounts needed to cover your expenses during the initial phase (3 months) after the opening of your Center includes: the cost of replenishing inventory, lease payments, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities, and other variable costs.

~~This range. The initial investment shown above to open a NextHealth Center does not include any finance charges, interest, or debt service obligations, and we and our affiliates do not finance any part of this investment. The information included in the table above~~ is based (i) primarily on information provided to us by Parent based on its experience of developing and operating NextHealth Centers, and (ii) our own investigation of these costs, including using information provided to us by certain vendors.

We and our affiliates do not finance any part of your investment to establish or operate your NextHealth Center. The estimated initial investment shown above to open a NextHealth Center does not include any finance charges, interest, or debt service obligations.

YOUR ESTIMATED INITIAL INVESTMENT (AREA DEVELOPMENT AGREEMENT)

TYPE OF EXPENDITURES	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Development Fee ¹	\$90,000 - \$200,000	Lump Sum	Upon Signing Area Development Agreement	Us
TOTAL	\$90,000 - \$200,000			

NOTES:

1. The entire investment required to acquire area development rights is payable to us and is not refundable. When you sign an Area Development Agreement, you will pay us the development fee in an amount equal to 50% of the initial franchise fee payable for the total number of NextHealth Centers necessary to satisfy the Development Schedule. ~~The Area Development Agreement will require a commitment to develop a specific number of NextHealth Centers, typically between 3 and 10, subject to your and our agreement prior to execution of~~ Under the Area Development Agreement, we typically require developers to commit to developing a minimum of 3 NextHealth Centers and a maximum of 10 NextHealth Centers. Since we provide a discounted initial franchise fee for multi-unit development, the amount of the development fee you are required to pay will depend on the number of NextHealth Centers you commit to develop, calculated as follows:

Number of NextHealth Centers	Initial Franchise Fee for each	Amount of Development Fee
3	\$60,000	\$90,000

Number of NextHealth Centers	Initial Franchise Fee for each	Amount of Development Fee
4	\$60,000	\$120,000
5	\$40,000	\$100,000
6	\$40,000	\$120,000
7	\$40,000	\$140,000
8	\$40,000	\$160,000
9	\$40,000	\$180,000
10	\$40,000	\$200,000

The development fee will increase by \$20,000 for each NextHealth Center in excess of 10 that you commit to develop.

The development fee is not a deposit; however, we credit the portion of the development fee attributable to each franchise you agree to acquire toward payment of the initial franchise fee applicable to that particular franchise. We do not require that you make any other investment to acquire area development rights; however, concurrently with the execution of the Area Development Agreement, you must execute a Franchise Agreement for the first NextHealth Center to be developed in satisfaction of your development obligations under the Area Development Agreement. [Please refer to the first table under Item 7 for the estimated initial investment to develop and open a NextHealth Center as of the date of this Disclosure Document.](#)

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Standards and Specifications.

NextHealth Centers are developed and operated using certain specified business formats, methods, procedures, designs, layouts, standards, and specifications regarding the provision non-medical services, each of which we may replace, further develop, or otherwise modify or discontinue periodically (collectively, the “System”). In order to maintain the quality and uniformity of the customer experience and products and services offered and sold at NextHealth Centers, you must purchase our required equipment, supplies, the Computer System, furniture, fixtures and signs (the “Operating Assets”) utilized in offering and providing non-medical products and services at your Center in accordance with our System Standards. You must purchase or lease, place, and install all Operating Assets used in connection with providing Medical Services in accordance with the Medical Standards.

We will not issue to you or to any approved suppliers (except as we deem necessary for purposes of production) the specifications for proprietary Operating Assets, if any. We will otherwise communicate our System Standards and the list of approved Operating Assets to you in the prototype architectural plans for a NextHealth Center, in the Operations Manual and otherwise in writing. We may periodically modify the System Standards upon notice to you. The Medical Director will not issue to you or to any approved suppliers the specifications for Operating Assets, and the Medical Director will periodically communicate and modify the Medical Standards in writing.

Approved or Designated Suppliers.

We may require you to purchase (i) all Operating Assets used in connection with the offer and sale of non-medical products and services from suppliers approved or designed by us, which may

- (2) while we and our affiliates do not currently do so, and have no current plans to do so, we and our affiliates may develop or become associated with other businesses, including other health and wellness concepts and systems that offer the same or similar products, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the areas covered by the Territorial Protections;
- (3) acquire, be acquired by, merge or affiliate with, or engage in any transaction with any other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to NextHealth Centers, and/or (ii) permit the other businesses to continue to operate under another name regardless of their locations;
- (4) market, offer and sell products and services similar to those offered by NextHealth Centers under a trademark or trademarks other than Marks at any location, both within and outside the areas covered by the Territorial Protections;
- (5) market and sell, and grant to others the right to market and sell, at any location, both within and outside the areas covered by the Territorial Protections, products and services that are authorized for sale at NextHealth Centers through alternative channels of distribution (like mail order, the Internet, e-commerce and catalog sales, and product lines in other businesses) using the Marks or other trademarks and commercial symbols; and
- (6) open and operate, or license third parties the right to open or operate, Special Venue Location, both within and outside the areas covered by the Territorial Protections. “Special Venue Locations” are NextHealth Centers located in hotels, resorts, health clubs, sports arenas, entertainment facilities, military facilities, and any captive location or host facility whose retail operations are controlled by a third party or in our judgment should be operated by a third party.

[We are not required to compensate you for exercising any of the above rights.](#)

Other Items.

You have no right to change the Development Area under the Area Development Agreement or to relocate or change the location of your Center under the Franchise Agreement. If, on your request, we allow you to relocate your Center, we may condition our consent in any manner we choose including requiring you to pay us a relocation fee of \$15,000.

You have no right of first refusal or similar rights to acquire additional development rights or franchises or to establish additional NextHealth Centers.

ITEM 13 **TRADEMARKS**

NextHealth Centers operate under the Brand and other trademarks, service marks and commercial symbols and trade names that we may authorize for use (collectively, the “Marks”). Currently, Parent owns the Marks. Under the License Agreement, dated August 21, 2023, between us and Parent, (the “License Agreement”), Parent has licensed to us the right to use, and further sublicense the right to use, the Marks in connection with the franchising, development, and operation of NextHealth Centers. The License Agreement has a term of 99 years and can be terminated on 30 days’ notice without cause or for a material breach of the License Agreement which is not cured upon 30 days’ notice to us (resulting in the loss of our right to use and to sublicense the use of the Marks). Your

6. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and area developers concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

The Area Development Agreement and Franchise Agreement contain a covenant not to compete that extends beyond termination of the franchise. These provisions might not be enforceable under California law.

The Area Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement requires application of the laws of the State of Delaware. This provision might not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement requires you to sign a general release of claims upon renewal or transfer of the Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices we set for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

ILLINOIS

1. The following is added to the end of Item 5 and Item 7:

Pursuant to an order of the Illinois Attorney General's Office, imposed based on our financial condition, we will defer collection of the Initial Franchise Fee and all other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you begin operating your Center. If you sign an Area Development Agreement, no Development Fee will be due to us until we have completed all of our pre-opening obligations to you under the Area Development Agreement.

2. ~~1.~~ The following paragraphs are added to the end of Item 17:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are subject to Sections 19 and 20 of the Illinois Franchise Disclosure Act.

MARYLAND

1. The following is added to the end of Item 5 and Item 7:

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 Area Development Agreement opens.

2. ~~1.~~ The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer:”

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. ~~2.~~ The following is added to the end of the “Summary” section of Item 17(h), entitled “‘Cause’ defined – non-curable defaults:”

The Area Development Agreement and Franchise Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.), but we will enforce it to the extent enforceable.

4. ~~3.~~ The following sentence is added to the end of the “Summary” section of Item 17(v), entitled “Choice of forum”, and 17(w), entitled “Choice of Law:”

You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. ~~4.~~ The following language is added to the end of the chart in Item 17:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

MINNESOTA

1. Item 1 – The last sentence of the second paragraph under the section titled “The Type of Business You will Conduct” is hereby deleted. If you are a resident of the State of Minnesota or your Center will operate in the State of Minnesota then you must enter into a Management Agreement with the Medical Service Manager or such other professional corporation designated or approved by us that is authorized to provide and supervise Medical Services in the State of Minnesota.

2. ~~1-~~The following is added to the “Remarks” column of the Item 6 line item entitled “Insufficient Funds Service Fee:”

NSF checks and related interest and attorneys’ fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessment.

3. ~~2-~~The Item 6 line item entitled “Lost Revenue Damages” will not be enforced to the extent prohibited by applicable law.

4. ~~3-~~The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) of the Area Development Agreement and Franchise Agreement and 180 days’ notice for non-renewal of the Area Development Agreement or Franchise Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document, Area Development Agreement or Franchise Agreement can abrogate or reduce any of the Area Development Agent’s or Franchisee’s rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Area Development Agreement or Franchise Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

8. The following is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of forum,” and Item 17(w), entitled “Choice of law:”

The foregoing choice of law and choice of forum should not be considered a waiver of any right conferred upon you by Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

1. The following is added to the end of Item 5 and Item 7:

Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the Initial Franchise Fee and all other initial payments you owe us until we have completed all of our pre-opening obligations to you under the Franchise Agreement and you begin operating your Center. If you sign an Area Development Agreement, no Development Fee will be due to us until we have completed all of our pre-opening obligations to you under the Area Development Agreement.

2. ~~1.~~ The Item 6 line item entitled “Lost Revenue Damages” will not be enforced to the extent prohibited by applicable law.

3. ~~2.~~ The following is added to the end of the “Summary” sections of Item 17(c), entitled “Requirements for franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer:”

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. ~~3.~~ The following is added to the end of the “Summary” section of Item 17(r), entitled “Non-competition covenants after the franchise is terminated or expires:”

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

5. ~~4.~~ The “Summary” section of Item 17(u), entitled “Dispute resolution by arbitration or mediation” is deleted and replaced with the following:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

6. ~~5.~~ The “Summary” section of Item 17(v), entitled “Choice of forum” is deleted and replaced with the following:

However, subject to your arbitration obligation, and to the extent required by North Dakota Franchise Investment Law, you may bring an action in North Dakota.

7. ~~6.~~ The “Summary” section of Item 17(w), entitled “Choice of law” is deleted and replaced with the following:

Except as otherwise required by North Dakota law, the laws of the state where we or, as applicable, our successor or assign, maintains its principal place of business (currently, Los Angeles, California) will apply.

RHODE ISLAND

1. The following language is added to the end of the “Summary” sections of Item 17(v), entitled “Choice of forum,” and 17(w), entitled “Choice of law:”

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in an area development agreement or franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.”

SOUTH DAKOTA

1. The following is added to the end of Item 5 and Item 7:

The South Dakota Department of Labor & Relations’ Division of Securities requires us to defer the payment of all Initial Franchise Fee and other payments you owe to us under the Franchise Agreement until your Center is operational. If you sign an Area Development Agreement, no Development Fee will be due to us until we have completed all of our pre-opening obligations to you under the Area Development Agreement and until the first franchise under the Area Development Agreement opens.

VIRGINIA

1. The following language is added to the end of the “Summary” section of Item 17(e), entitled “Termination by franchisor without cause:”

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Area Development Agreement or Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. The following risk factor is added to the list of “Special Risks to Consider About This Franchise”:

6. **Estimated Initial Investment.** The franchisee will be required to make an estimated initial investment ranging from \$1,596,000 to \$2,195,000. This amount exceeds the franchisor's stockholders equity as of August 14, 2023, which is \$100,000.

WASHINGTON

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER (this “Rider”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“we”), and _____

_____, a(n) _____ whose principal business address is _____ (“you”).

~~a(n) _____ whose principal business address is _____ (“you”).~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) the offer for the franchise was made or accepted in the State of Illinois and the NextHealth Center that you will operate under the Franchise Agreement will be located in Illinois, or (b) you are domiciled in the State of Illinois.

2. **FINANCIAL ASSURANCE.** The following language is added to the end of Section 4.A of the Franchise Agreement:

Pursuant to an order of the Illinois Attorney General’s Office, imposed based on our financial condition, we will defer collection of the Initial Franchise Fee and all other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement and you begin operating your Center.

3. ~~2.~~ **WAIVER OF PUNITIVE DAMAGES, CLASS ACTION BAR AND JURY TRIAL; LIMITATION OF CLAIMS.** The following language is added to the end of Sections 18.D and 18.G of the Franchise Agreement:

However, nothing contained in this Section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

4. ~~3.~~ **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Article 20 of the Franchise Agreement and supersede any conflicting provisions in the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____

_____, a(n) _____ whose principal business address is _____
_____, (“**you**”).
~~a(n) _____ whose principal business address is _____
_____, (“**you**”).~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Maryland, (b) the NextHealth Center that you will operate under the Franchise Agreement will be located in the State of Maryland, or (c) the offer for the franchise was made or accepted in the State of Maryland.

2. **FINANCIAL ASSURANCE.** The following is added to the end of Section 4.A (“Initial Franchise Fee”) of the Franchise Agreement:

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 this Agreement.

3. ~~2.~~ **RELEASES.** The following is added to the end of Section 13.C(8) (“Conditions for Approval of Transfer”), Section 14.A(7) (“Your Right to Acquire a Successor Franchise”), Section 14.B (“Grant of a Successor Franchise”), and Section 16.B(2) (“Our Right to Purchase Your Center”) of the Franchise Agreement:

However, pursuant to COMAR 02.02.08.16L(1), any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

4. ~~3.~~ **INSOLVENCY.** The following sentence is added to the end of Section 15.B(1)(I) (“Termination of Agreement – By Us”) of the Franchise Agreement:

This provision may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. ~~4.~~ **ARBITRATION.** The following paragraph is added at the end of Section 18.A (“Enforcement - Arbitration”) of the Franchise Agreement:

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 Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. ~~5.~~ **GOVERNING LAW.** The following paragraph is added at the end of Section 18.C (“Governing Law”) of the Franchise Agreement:

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure law. Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. ~~6.~~ **CONSENT TO JURISDICTION; LIMITATIONS OF CLAIMS.** The following language is added to the end of Section 18.B (“Consent to Jurisdiction”) and Section 18.G (“Limitations of Claims”) of the Franchise Agreement:

You must bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

8. ~~7.~~ **MARYLAND LAW.** All representations requiring you to assent to a release, estoppel or waiver of liability 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.

[Signature Page to Follow]

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER (this “Rider”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“we”), and _____

_____, a(n) _____ whose principal business address is _____
_____, (“you”).
~~a(n) _____ whose principal business address is _____
_____, (“you”).~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Minnesota, (b) the NextHealth Center that you will operate under the Franchise Agreement will be located in State Minnesota, and/or (c) the offer to sell the franchise for your NextHealth Center was made or accepted in the State of Minnesota.

2. **MANAGEMENT AGREEMENT.** The last sentence of sub-paragraph (2) titled “Medical Director” under Section 9.A (“Certain Required Personnel”) is deleted in its entirety.

3. ~~2.~~ **NON-DISPARAGEMENT.** The following sentence is added to the end of Section 6.E (“Non-Disparagement”) of the Franchise Agreement:

Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, costs or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

4. ~~3.~~ **NON-COMPETITION.** Section 8 (“Competition and Interference During Term”) and Section 16.A(7) (“Rights and Obligations on Termination or Expiration – Your Obligations”) of the Franchise Agreement will not be enforced to the extent prohibited by applicable law.

5. ~~4.~~ **RELEASES.** The following is added to the end of Section 13.C(8) (“Conditions for Approval of Transfer”), Section 14.A(7) (“Your Right to Acquire a Successor Franchise”), Section 14.B (“Grant of a Successor Franchise”), and Section 16.B(2) (“Our Right to Purchase Your Center”) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

6. ~~5.~~ **YOUR RIGHT TO ACQUIRE A SUCCESSOR FRANCHISE AND TERMINATION OF AGREEMENT.** The following is added to the end of Section 14.A (“Your Right to Acquire a Successor Franchise”) and Section 15.B (“Termination of Agreement – By Us”) of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

7. ~~6.~~ **LOST REVENUE DAMAGES.** The following language is added to the end of Section 16.C ("Lost Revenue Damages") of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

8. ~~7.~~ **CONSENT TO JURISDICTION.** The following language is added to the end of Section 18.B ("Consent to Jurisdiction") of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400j prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. ~~8.~~ **GOVERNING LAW.** The following statement is added at the end of Section 18.C ("Governing Law") of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. ~~9.~~ **WAIVER OF PUNITIVE DAMAGES, CLASS ACTION BAR, AND JURY TRIAL.** If and then only to the extent required by the Minnesota Franchises Law, Section 18.D ("Waiver of Punitive Damages, Class Action Bar, and Jury Trial") and Section 18.G ("Limitations of Claims") of the Franchise Agreement are deleted.

11. ~~10.~~ **INJUNCTIVE RELIEF.** The following is added to the end of Section 18.E ("Injunctive Relief") of the Franchise Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required.

12. ~~11.~~ **LIMITATIONS OF CLAIMS.** Subject to Paragraph 10 of this Rider, the following is added to the end of Section 18.G ("Limitations of Claims") of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

13. ~~12.~~ **SERVICE CHARGES.** Notwithstanding anything to the contrary, NSF checks and related interest and attorneys' fees are governed by Minnesota Statute § 604.113, which puts a cap of \$30 on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys' fees.

[Signature Page Follows]

**RIDER TO THE
FRANCHISE AGREEMENT FOR USE IN THE
STATE OF NEW YORK**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____

_____, a(n) _____ whose principal business address is _____
_____, (“**you**”).
~~a(n) _____ whose principal business address is _____~~
~~_____ (“**you**”).~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, (the “Franchise Agreement”). This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the NextHealth Center that you will operate under the Franchise Agreement will be located in State of New York, and/or (b) the offer to sell the franchise for your NextHealth Center was made or accepted in the State of New York.

2. **TRANSFER BY US.** The following language is added to the end of Section 13.A (“Transfer – By Us”) of the Franchise Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following is added to the end of Section 13.C(8) (“Conditions for Approval of Transfer”), Section 14.A(7) (“Your Right to Acquire a Successor Franchise”), Section 14.B (“Grant of a Successor Franchise”), and Section 16.B(2) (“Our Right to Purchase Your Center”) of the Franchise Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

4. **TERMINATION BY YOU.** The following language is added to the end of Section 15.A (“Termination of Agreement – By You”) of the Franchise Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **CONSENT TO JURISDICTION; GOVERNING LAW.** The following statement is added at the end of Section 18.B (“Consent to Jurisdiction”) and Section 18.C (“Governing Law”) of the Franchise Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).
~~a(n) _____ whose principal business address is _____ (“**you**”).~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20__ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of North Dakota and the NextHealth Center that you will operate under the Franchise Agreement will be located or operated in the State of North Dakota; and/or (b) the offer to sell the franchise for your NextHealth Center was made or accepted in the State of North Dakota.

2. **FINANCIAL ASSURANCE.** The following is added to the end of Section 4.A (“Initial Franchise Fee”) of the Franchise Agreement:

Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the Initial Franchise Fee and all other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement and you begin operating your Center.

3. ~~2.~~ **NON-COMPETITION.** The following is added to the end of Section 8 (“Competition and Interference During Term”) and Section 16.A(7) (“Rights and Obligations on Termination or Expiration – Your Obligations”) of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. ~~3.~~ **RELEASES.** The following is added to the end of Section 13.C(8) (“Conditions for Approval of Transfer”), Section 14.A(7) (“Your Right to Acquire a Successor Franchise”), Section 14.B (“Grant of a Successor Franchise”), and Section 16.B(2) (“Our Right to Purchase Your Center”) of the Franchise Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

5. ~~4.~~ **COVENANT NOT TO COMPETE.** The following is added to the end of Section 8 (“Competition and Interference During Term”), Section 16.A(7) (“Rights and Obligations on Termination or Expiration – Your Obligations”) and Section 16.D (“Continuing Obligations on Termination or Expiration”) of the Franchise Agreement:

Covenants not to compete, such as those mentioned above, are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

6. ~~5.~~ **LOST REVENUE DAMAGES.** The following language is added to the end of Section 16.C (“Lost Revenue Damages”) of the Franchise Agreement:

We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

7. ~~6.~~ **DISPUTE RESOLUTION; ARBITRATION.** The following is added to the end of Section 18.A (“Enforcement – Arbitration”) of the Franchise Agreement:

; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

8. ~~7.~~ **CONSENT TO JURISDICTION.** The following is added to the end of Section 18.B (“Consent to Jurisdiction”) of the Franchise Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

9. ~~8.~~ **GOVERNING LAW.** The following is added to Section 18.C (“Governing Law”) of the Franchise Agreement:

Except to the extent required by North Dakota law, the laws of the State of Delaware will apply.

10. ~~9.~~ **WAIVER OF PUNITIVE DAMAGES, CLASS ACTION BAR AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Section 18.D (“Waiver of Punitive Damages, Class Action Bar, and Jury Trial”) and Section 18.G (“Limitations of Claims”) of the Franchise Agreement are deleted. Otherwise, the following is added to the end of Section 18.D and Section 18.G:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[Signature Page Follows]

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____

_____, a(n) _____ whose principal business address is _____
_____ (“**you**”).

~~a(n) _____ whose principal business address is _____
_____ (“**you**”).~~

1. **BACKGROUND.** We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of Rhode Island and the NextHealth Center that you will operate under the Franchise Agreement will be located in the State of Rhode Island; and/or (b) the offer to sell the franchise for your NextHealth Center was made or accepted in the State of Rhode Island.

2. **GOVERNING LAW.** The following language is added to the end of Section 18.C (“Governing Law”) of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.” To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

[Signature Page Follows]

**RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN SOUTH DAKOTA**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____, a(n) _____ whose principal business address is _____ (“**you**”).

1. BACKGROUND. We and you are parties to that certain Franchise Agreement dated _____, 20____ (the “Franchise Agreement”). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) you are domiciled in the State of South Dakota; and/or (b) the NextHealth Center that you will operate under the Franchise Agreement will be located or operated in the State of South Dakota; and/or (c) the offer to sell the franchise for your NextHealth Center was made or accepted in the State of South Dakota.

2. FINANCIAL ASSURANCE. The following language is added to the end of Section 4.A (“Initial Franchise Fee”) of the Franchise Agreement:

The South Dakota Department of Labor & Relations’ Division of Securities requires us to defer the payment of all Initial Franchise Fee and payments you owe to us until your Center is operational.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

NEXT HEALTH FRANCHISING LLC

FRANCHISE OWNER:

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

[Name]
By: _____
Name: _____
Title: _____
Date: _____

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS**

THIS RIDER (this “Rider”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“we”), and _____

a(n) _____ whose principal business address is _____
_____ (“you”).

~~a(n) _____ whose principal business address is _____
_____ (“you”).~~

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) the offer for sale of the Development Rights was made or accepted in the State of Illinois and the Development Area located in the State of Illinois, and/or (b) you are domiciled in the State of Illinois.

2. **FINANCIAL ASSURANCE.** The following language is added to the end of Section 3 (“Development Fee”) of the Development Agreement:

Pursuant to an order of the Illinois Attorney General’s Office, imposed based on our financial condition, we will defer collection of the Development Fee and all other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement.

3. ~~2.~~ **WAIVER OF PUNITIVE DAMAGES, CLASS ACTION BAR AND JURY TRIAL; LIMITATIONS OF CLAIMS.** The following language is added to the end of Section 9.D (“Waiver of Punitive Damages, Class Action Bar, and Jury Trial”) and Section 9.G (“Limitations of Claims”) of the Development Agreement:

However, this Section shall not act as a condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or Illinois Regulations at Section 200.609.

5. **ILLINOIS FRANCHISE DISCLOSURE ACT.** The following language is added as Section 11 of the Development Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Development Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a development agreement may provide for arbitration outside of Illinois.

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____

a(n) _____ whose principal business address is _____
_____ (“**you**”).
~~a(n) _____ whose principal business address is _____
_____ (“**you**”).~~

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) you are domiciled in the State of Maryland, or (b) the Development Area is located in the State of Maryland, or (c) the offer for sale of the Development Rights was made or accepted in the State of Maryland.

2. **FINANCIAL ASSURANCE.** The following sentence is added to the end of Section 3 (“Development Fee”) of the Development Agreement:

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.

3. ~~2.~~ **RELEASES.** The following sentence is added to the end of Sections 5.C(5) (“Conditions for Approval of Transfer”) of the Development Agreement:

However, pursuant to COMAR 02.02.08.16L(1), any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

4. ~~3.~~ **INSOLVENCY.** The following sentence is added to the end of Section 6.B(5) (“Termination of Agreement – By Us”) of the Development Agreement:

This Section may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. ~~4.~~ **ARBITRATION.** The following paragraph is added at the end of Section 9.A (“Enforcement – Arbitration”) of the Development Agreement:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee or area developer to waive its right to file a lawsuit in Maryland claiming a violation of Maryland Franchise Law. In light of the Federal Arbitration Act, there is

some dispute as to whether this forum selection requirement is legally enforceable.

6. ~~5.~~ **GOVERNING LAW.** The following is added to the end of Section 9.B (“Governing Law”) of the Development Agreement:

Notwithstanding the foregoing, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure law. Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. ~~6.~~ **LIMITATIONS OF CLAIMS.** The following sentence is added to the end of Section 9.G (“Limitations of Claims”) of the Development Agreement:

You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you the franchise.

8. ~~7.~~ **MARYLAND LAW.** All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to or shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

[Signature Page to Follow]

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA**

THIS RIDER (this “Rider”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“we”), and _____

a(n) _____ whose principal business address is _____
_____ (“you”).

~~a(n) _____ whose principal business address is _____
_____ (“you”).~~

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) you are a resident of the State of Minnesota, (b) the Development Area is located in the State of Minnesota, or (b) the offer for sale of the Development Rights was made or accepted in the State of Minnesota.

2. **RELEASES.** The following is added to the end of Section 5.C(5) (“Conditions for Approval of Transfer”) of the Development Agreement:

Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law

3. **EVENTS OF TERMINATION.** The following is added to the end of Section 6.B (“Termination of Agreement – By Us”) of the Development Agreement.

However, with respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of this Agreement.

4. **GOVERNING LAW.** The following statement is added at the end of Section 9.B (“Governing Law”) of the Development Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

5. **CONSENT TO JURISDICTION.** The following language is added to the end of Section 9.C (“Consent to Jurisdiction”) of the Development Agreement.

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400j prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80.C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK**

THIS RIDER (this “**Rider**”) is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____

a(n) _____ whose principal business address is _____
_____ (“**you**”).
~~a(n) _____ whose principal business address is _____
_____ (“**you**”).~~

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, (the “Development Agreement”) that has been signed concurrently with this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) you are domiciled in the State of New York and the Development Area is located in the State of New York, and/or (b) the offer for sale of the Development Rights was made or accepted in the State of New York.

2. **TRANSFER BY US.** The following language is added to the end of Section 5.A (“Transfer – By Us”) of the Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

3. **RELEASES.** The following is added to the end of Section 5.C(5) (“Conditions for Approval of Transfer”) of the Development Agreement:

Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of General Business Law Sections 687.4 and 687.5, as amended.

4. **TERMINATION BY YOU.** The following language is added to the end of Section 6.A (“Termination – By You”) of the Development Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **CONSENT TO JURISDICTION; GOVERNING LAW.** The following is added to the end of Section 9.B (“Governing Law”) and Section 9.C (“Consent to Jurisdiction”) of the Development Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA**

THIS RIDER is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“we”), and _____
a(n) _____ whose principal business address is _____
_____ (“you”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) you are a resident of the State of North Dakota and the Development Area is located or operated in the State of North Dakota; and/or (b) the offer for sale of the Development Rights was made or accepted in the State of North Dakota.

1. **FINANCIAL ASSURANCE.** The following is added to the end of Section 3 (“Development Fee”) of the Development Agreement:

Pursuant to an order of the North Dakota Securities Commissioner, we will defer collection of the Development Fee and all other initial payments you owe us until we have completed all of our pre-opening obligations to you under this Agreement.

2. ~~1.~~ **RELEASES.** The following is added to the end of Sections 5.C(5) (“Conditions for Approval of Transfer”) of the Development Agreement:

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the North Dakota Franchise Investment Law.

2. **DISPUTE RESOLUTION; ARBITRATION.** The following is added to the end of Section 9.A (“Enforcement – Arbitration”) of the Development Agreement:

; provided, however, that to the extent otherwise required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which we and you mutually agree.

3. ~~2.~~ **GOVERNING LAW.** The following is added to Section 9.B (“Governing Law”) of the Development Agreement:

Except to the extent required by North Dakota law, the laws of the State of Delaware will apply.

4. ~~3.~~ **CONSENT TO JURISDICTION.** The following is added to the end of Section 9.C (“Consent to Jurisdiction”) of the Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

5. ~~4.~~ **WAIVER OF PUNITIVE DAMAGES, CLASS ACTION BAR AND JURY TRIAL.** To the extent required by the North Dakota Franchise Investment Law, Section 9.D (“Waiver of Punitive Damages, Class Action Bar, and Jury Trial”) of the Development Agreement is deleted.

6. ~~5.~~ **LIMITATIONS OF CLAIMS.** The following is added 9.G (“Limitations of Claims”) of the Development Agreement:

The statutes of limitations under North Dakota law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[Signature Page Follows]

**RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN SOUTH DAKOTA**

THIS RIDER (this “Rider”) is made and entered into by and between NEXT HEALTH FRANCHISING LLC, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“we”), and _____, a(n) _____ whose principal business address is _____ (“you”).

1. BACKGROUND. We and you are parties to that certain Area Development Agreement dated _____, 20____ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) you are domiciled in the State of South Dakota; and/or (b) the Development Area will be located or operated in the State of South Dakota; and/or (c) the offer for sale of the Development Rights was made or accepted in the State of South Dakota.

2. FINANCIAL ASSURANCE. The following language is added to the end of Section 3 (“Development Fee”) of the Franchise Agreement:

The South Dakota Department of Labor & Relations’ Division of Securities requires us to defer the payment of all Development Fee and payments you owe to us until we have completed all of our pre-opening obligations to you under this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Development Agreement.

NEXT HEALTH FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISE OWNER:

[Name]

By: _____

Name: _____

Title: _____

Date: _____

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company whose address is 955 Carrillo Dr., Suite 100, Los Angeles, CA 90048 (“**we**”), and _____
a(n) _____ whose principal business address is _____
_____ (“**you**”).

1. **BACKGROUND.** We and you are parties to that certain Area Development Agreement dated _____, 20__ (the “Development Agreement”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Development Agreement. This Rider is being signed because (a) you are domiciled in the State of Washington; and/or (b) the Development Area will be located or operated in the State of Washington; and/or (c) the offer for sale of the Development Rights was made or accepted in the State of Washington.

2. **WASHINGTON LAW.** The following paragraphs are added to the end of the Development Agreement:

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 Area Development Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Area Development Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

In any arbitration involving a franchise purchased in Washington, the arbitration site will be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator at the time of arbitration. In addition, if litigation is not precluded by the Area Development Agreement, you 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 you 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 Washington Franchise Investment Protection Act, or rights or remedies under the Washington Franchise Investment Protection Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.