FRANCHISE DISCLOSURE DOCUMENT

ALIGNLIFE SYSTEMS, LLC
AN ILLINOIS LIMITED LIABILITY COMPANY
4812 N Sheridan Road, Suite A700
Peoria, IL 61614
(309) 807-4439
www.AlignLife.com

The franchisee will operate a chiropractic and wellness center ("Center") under the AlignLife trademark, offering chiropractic care, nutritional counseling, weight loss, rehabilitation and other products and services to patients in accordance with a prescribed format and utilizing proprietary operating methods and procedures. We offer both start-up and conversion franchises.

The total investment necessary to begin operation of a start-up franchise is $191,309 to $363,650. This includes $55,500 to $60,500 that must be paid to the franchisor and/or its affiliate, as appropriate

The total investment necessary to begin operation of a conversion franchise is $83,159 to $$91,500. This includes $45,500 to $50,500 that must be paid to the franchisor and/or its affiliate, as appropriate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Dr. Joseph Esposito at 4812 N. Sheridan Road, Suite A700, Peoria, Illinois, 61614, and 309-807-4439. If you received this disclosure document electronically, but would like a printed version, contact Dr. Cristina Esposito at the address or phone number above.

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

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

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

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How to Use this Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D and 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 A 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 AlignLife business in my area?	Item 12 and the "territory" provisions in the franchise agreement and multi-unit operator 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 an AlignLife franchisee?	Item 20, Exhibit D 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 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 Addendum. See the Table of Contents for the location of the State Specific Addendum.

Special Risks to Consider About *This* Franchise

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

Out-of-State Dispute Resolution. The franchise agreement and multi-unit operator agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Illinois. Out-of-state 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 Illinois than in your own state.

Sales Performance Requirement. You must maintain minimum sales performance levels. If you fail to do so, you could lose any territorial rights you are granted or the franchisor could terminate your agreement resulting in the loss of your investment, or both.

Mandatory Minimum Payments. You must make mandatory minimum royalty payments or advertising contributions regardless of your sales levels. Your inability to make these payments may result in termination of your franchise and loss of your investment.

Financial Condition. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. If so, check the "State Specific Addendum" (if any) to see whether your state requires other risks to be highlighted.

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Item 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language, this disclosure document uses "we" or "us" to mean AlignLife or AlignLife Systems, LLC, the franchisor. "You" means the individual, corporation, or other entity that buys our franchise.

THE FRANCHISOR, PARENTS AND PREDECESSORS.

Franchisor. The name of the franchisor is AlignLife Systems. We maintain our principal business address at 4812 N Sheridan Road, Suite A700, Peoria, IL 61614. We are an Illinois limited liability company, formed in October 2007. We have no parent or predecessors. We do business under our name Alignlife. We have offered franchises since January 2009. We do own and operate businesses of the type being franchised.

Parent. We have no parent corporation.

Predecessors. We have no predecessors.

OUR AFFILIATES

We have one affiliate. Our affiliate is Aceva, LLC, headquartered at 624 West Glen Avenue Peoria, IL 61614 ("Aceva"). Aceva does not own or operate a business of the type being franchised. Aceva is the only approved supplier of nutritional products. Aceva has never offered franchises in this or any other line of business. Our agents for service of process and their addresses are listed in Exhibit A to this Disclosure Document.

We offer the opportunity for chiropractors who are licensed to practice chiropractic to become an AlignLife franchise ("Center" or "AlignLife Center") to develop a chiropractic wellness center that incorporates hands-on chiropractic care, in-office or at-home rehabilitation and nutritional consultations. In addition, clinics must provide to patients, weight loss and laboratory testing services as well as the sale of nutritional supplements, cervical pillows, foot orthotics and a detoxification program. Massage, decompression, laser and acupuncture are all approved ancillary services that can be added. The purpose of the franchise is to provide a comprehensive, natural approach to healthcare for the local community. We offer both a start-up franchise and a conversion franchise.

Our CEO, Dr. Joseph Esposito is the owner of our proprietary mark, as described in item 13, which is licensed to us so that we may sublicense them to our franchises. The perpetual, non-cancellable trademark license agreement between Dr. Esposito and us is dated January 2, 2009.

AlignLife Centers will use proven operational processes created by us and our affiliates after decades of experience in the chiropractic and holistic healthcare industry. Our unique business offering includes our established brand; demographic research; marketing systems, training and analytics; communication processes; operations manual and video resources; online and live training systems; industry research and development. We do not provide advice on the practice of chiropractic or the billing of insurance.

You must comply with all federal, state and local laws and regulations that apply to the operation of your AlignLife franchise business. In addition to laws and regulations that apply to businesses generally, you must comply with all health care regulations under federal, state and local laws that apply to the management and operation of an AlignLife Franchise. You must secure and maintain in force all required health care licenses, permits and certificates relating to the operation of your Center and the other licenses that apply to any licensed professionals or other employees.

Set forth below are examples of potential regulatory issues that might affect the operation of your Center. This is not a complete list of regulatory matters which may touch on your franchise. How these laws apply varies from place to place and they can change over time.

It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws. Your state may require you to form a professional corporation or professional limited liability company for your Center. You should independently research and review the legal requirements of the medical services industry with your own attorney. We strongly advise you to consult with an attorney and contact federal, state and local agencies before signing a Franchise Agreement so that you may consider the scope of applicable regulations, their effects on your AlignLife Center and the cost to comply. We do not make any representations to you regarding the legality of the way you establish, license or qualify your business, or how you hire or pay your chiropractor or other licensed health care professionals, or how you perform the professional chiropractic aspects of your franchise operation.

Most states regulate activities constituting the corporate practice of chiropractic. For example, a majority of states: (i) require a chiropractor to provide chiropractic services either individually or through a wholly-owned professional entity; (ii) prohibit business corporations that are owned by non-chiropractors from providing chiropractic services, even if the services are provided by licensed chiropractors engaged by the business corporation. If you operate in a jurisdiction that regulates the corporate practice of chiropractic, your franchise may be prohibited from employing a licensed chiropractor or from providing chiropractic services directly to the public unless the entity operating your AlignLife franchise is wholly-owned by licensed chiropractors.

Fraud and Abuse and Fee-Splitting Laws

Numerous federal and state "anti-kickback" laws prohibit the receipt of compensation in exchange for referring patients to licensed health care providers, including chiropractors. These laws could prohibit anyone at your Center from paying anything of value, such as high value gifts or below market rent, directly or indirectly, to a physician, attorney or other referral source to induce referrals to your Center. Many state Chiropractic Board regulations also prohibit payments for bringing or inducing referrals.

In addition, many state chiropractic practice laws prohibit chiropractors from sharing the proceeds of their professional services, or "fee-splitting," with non-chiropractors in certain circumstances. You are responsible for determining whether the operation of your Center would constitute illegal fee splitting.

Professional Licensing

The operation of a chiropractic practice is subject to comprehensive professional licensing and registration requirements. You are responsible for obtaining all licenses, permits, educational credits, and accreditations required for you to operate an AlignLife franchise in your jurisdiction. All states have Boards of Chiropractic that issue rules and regulations regarding their respective members and the scope of services that may legally be offered by their licensees. You are responsible for determining the permissible scope of practice limits in your jurisdiction before you engage in any AlignLife protocol.

Privacy and Security of Patient Records

Various federal and state laws regulate the privacy and security of patient health care information. For example, under the federal Health Insurance Portability and Accountability Act ("HIPAA"), as amended by the federal Health Information Technology for Economic and Clinical Health ("HITECH") Act, healthcare providers have certain legal obligations to keep patient health care information confidential, and are also required to disclose that information to patients and third parties when requests are properly

submitted. In addition, you must ensure the privacy and security of patient health care information you share with any "business associate" as defined under the HITECH Act, such as service providers, attorneys, or third-party billing companies. Note that many states also have laws regulating the privacy and security of patient health care information and these laws may impose even greater restrictions and obligations on your business regarding the privacy and security of patient healthcare information.

Trade Names and Advertising

Some states may limit the trade names that a Center may use or require that chiropractic service providers use certain acronyms with their professional or trade names. Advertising that promotes your Center and the availability of chiropractic services must comply with applicable laws regulating how you must identify your chiropractic practice under state law. It is the responsibility of the franchisee to understand their individual state laws and to provide AlignLife with any state regulatory statutes that control the method of advertising your Center.

Building, Health and Workplace Laws

Each AlignLife Center must comply with all applicable federal, state, county and municipal building codes and handicap access codes as well as laws restricting smoking in public places, the public posting of notices regarding health hazards, fire safety and general emergency preparedness, rules regarding the proper use, storage and disposal of hazardous waste and materials, and other building, fire and health standards. In addition, you must operate your business in full compliance with all applicable workplace laws, ordinances and regulations, including governmental regulations relating to occupational hazards, health, the Equal Employment Opportunity Commission (EEOC), the Occupational Safety & Health Administration (OSHA), discrimination, employment, sexual harassment, worker's compensation and unemployment insurance and withholding and payment of federal, state and local income taxes, social security taxes and sales and use taxes.

You must be a licensed and qualified chiropractor or any entity authorized to practice chiropractic in the state in which your franchise will be located. You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your AlignLife Center.

We do not engage in the practice of chiropractic or any other profession that requires specialized training or certification. We engage in the offer, sale and support of franchises. Nothing in our Franchise Agreement, Manuals or System is intended to interfere, affect, or limit the independent exercise of professional judgment by any chiropractor or that person's supervised staff. You, as the franchisee, must not engage in the practice of chiropractic or any other licensed profession unless you are licensed to do so.

There may be other local, state or federal laws or regulations pertaining to your AlignLife Center with which you must comply. We strongly suggest that you investigate these laws before buying this franchise.

Competition.

You will offer services to individuals of all ages from infants to the elderly. The market for chiropractic and wellness centers is fully developed and competitive. Your competitors include chiropractors, physical therapists, pain centers, wellness centers, and weight loss clinics, some of which may be regional or national in size.

Item 2

BUSINESS EXPERIENCE

CEO AND DIRECTOR
JOSEPH ESPOSITO, DC, CCN, CNS, DABCN, CTN, CCSP, FAAIM, DCCN

Dr. Joseph Esposito is our founder and has been CEO and Director since our inception in October 2007. He is also the founder and CEO of Aceva, LLC, a professional nutritional company also started in October 2007, dedicated to providing nutritional products. Dr. Esposito was also a partner in VitaLogics, LLC a wellness technology company from October 2009 to August 2018.

PRESIDENT, CHIEF OPERATIONS OFFICER
CRISTINA ESPOSITO, DC, CCN, DICCP

Dr. Cristina Esposito has been our President since our inception in October 2007. She was also the President of Aceva, LLC in Peoria, Illinois from January 2008 to January 2020. From October 2009 to August 2018, Dr. Cristina Esposito was also the President of VitaLogics, LLC, a wellness technology company headquartered in Peoria, Illinois.

DIRECTOR OF DIGITALMARKETING
KERI QUIN

Keri Quin served as the Director of Clinic Marketing from November of 2013 to July of 2019. From July 2019 to January 2022 Keri filled the role of Director of Support before moving back into the position of Director of Digital Marketing. Keri was a Customer Relations Manager and Director of Digital Marketing for a four dealership automotive group for over 8 years generating over a million dollars in sales annually through eCommerce and Call Center efforts.

CHIEF EXPERIENCE OFFICER
STEPHEN FRANSON, DC

Dr. Stephen Franson has been the Chief Experience Officer since January of 2017. Since January 2013 he has been the owner of The Remarkable Practice locate in Hampton, New Hampshire. From August 1997 to March 2017 he was the owner of Franson Family Chiropractic located in Beverly, Massachusetts.

DIRECTOR OF TRAINING
DR. CLIFF FISHER

Dr. Cliff Fisher was the Director of Corporate Clinics from January-December 2020 when he then transitioned to the Director of Training. Dr. Fisher is a subluxation-based chiropractic of over twenty years who ran a multimillion-dollar group of cash practices in the Reno, Nevada area. He is a specialist in chiropractic systems and training. He now has ownership in 3 AlignLife clinics.

Item 3

LITIGATION

No litigation is required to be disclosed in this Item.

Item 4

BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

Item 5

INITIAL FEES

Initial Franchise Fee

The initial franchise fee for a new franchise is $49,000 and $39,000 for a conversion franchise. The initial franchise fee is deemed fully earned upon receipt and is not refundable under any circumstances except as stated below. The initial franchise fee for a second (or subsequent) AlignLife Center franchise will be reduced to Thirty-Nine Thousand Dollars ($39,000).

If you are a new franchisee, and you meet our criteria, including a minimum credit score, and/or a cosigner, we may offer to finance up to 50% of the Initial Franchise Fee. If you are offered and accept this financing, you must sign our form of promissory note (attached as Exhibit 6 to the Franchise Agreement). The note is payable over 36 months with interest at the then-current prime rate of interest + 8 to 15% depending on the credit profile of the franchisee. See Item 10.

Clinic Opening Promotion

You must spend between $5,000 and $10,000 to advertise, promote and coordinate the clinic opening of your Center. The clinic opening promotion should include radio, newspaper, branding, digital marketing and local marketing. These fees will be paid to us and we will coordinate advertising on your behalf. These fees are non-refundable.

If we choose to terminate your Franchise Agreement prior to the completion of your training, so long as such termination was not a result of your breach of the Franchise Agreement, then we may, but are not required to, refund up to 50% of the Initial Franchise Fee paid to us, after deducting any amount you owe to us, including reimbursement for our costs and expenses, and for the reasonable cost associated with your training expenses incurred through the termination date.

If you terminate your Franchise Agreement prior to the completion of your training, whether the termination was made with cause or without cause, then we will not refund the fee.

Initial Purchases

You must purchase from our affiliate, Aceva, the Essential Track which includes your initial supply of the required nutritional products and associated training and marketing tools. We estimate that the initial cost for the track to be $1,500.

There are no other payments to or purchases from us or any affiliate that you must make before your AlignLife Center opens.

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Item 6

OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty*	7% of Gross Sales with a minimum of $175 a week. Conversion Franchises that join with an annual Gross Revenue of $500,000 or more before signing agreement will have, Royalty fees at a flat rate of $576.92 a week. Conversion Franchises that join with less than an annual Gross Revenue of $500,000 before signing agreement will follow the same Royalty structure as a new franchisee.	Payable weekly on the Tuesday following each week for which payment was due beginning the first full week your center is open for business.	Payable via direct debit. See Note 1, 2, 3, 4.
Marketing Fee**	4% of Gross Sales as determined by us with a minimum contribution of $250 a week.	Same as Royalty	Same as Royalty
Local Marketing or Co-Op Fund	Up to $1,000 or 3% of Gross Sales whichever is greater.	As may be determined by the Co-op vote, if there is a co-op in your area.	See Note 2, 4, 5. Payable to local advertising suppliers or co-op
Post opening requested training	$125 per hour, plus out of pocket expenses of trainer(s)	Payable within 30 days after billing. May be provided and charged at our discretion at your request.	Payable via direct debit. See Note 3. If you request that we provide additional training, you must pay our hourly fee for each trainer we send to your Center, and you must reimburse each trainer's expenses, including travel, lodging and meals.

Name of Fee	Amount	Due Date	Remarks
Required additional or supplemental training	Our then current training fee, currently $125 per hour plus out of pocket expenses for trainers.	Payable within 30 days after billing. May be provided and charged at our discretion at your request.	We may also require you to attend supplemental or additional training programs. You will be responsible for the reasonable costs of such programs and for the travel and living expenses and compensation of you and/or your employees incurred during these programs.
Transfer Fee	$29,000	Prior to transfer	All transfers must receive our prior written approval and require transferee to execute our then-current Franchise Agreement.
Relocation Fee	$900	As incurred, payable before the relocation is completed	Any relocation must receive our prior written approval. Payable upon execution of new lease.
Management Fee	Fifteen percent (15%) of the Weekly Gross Sales of the Center; not to exceed One Thousand Dollars ($1,000) per week (if permitted by applicable law).	As incurred	Payable if we manage the franchise after you materially break the Franchise Agreement or if minimum revenue markers are not obtained, we may take over onsite management of the center for a period of time to ensure minimum revenue markers are obtained.
Successor Agreement Fee	There will be no fee to enter into a Successor Agreement		
Renovation Cost	At least $6,000 to be spent after every 4 years in renovation of Center as required by us	As incurred. Payable at the time of renovation directly to contractors providing services	If you do not meet your renovation obligation, we reserve the right to do so on your behalf and at your expense.
Fees to Assess Alternative Suppliers or Additional Product/Service for Approval	$50 for a vendor, product or service approval	Prior to Assessment	Due if an assessment is made to review any product or supplier recommended by you (see Item 8).

Name of Fee	Amount	Due Date	Remarks
Non-Compliance Fee - Unapproved Suppliers, Products, Services or Marketing Materials	$125 for the use of an unapproved vendor or marketing material. $125 for the sale of each unapproved product or service.	On demand if incurred	Payable via direct debit. See Note 3.
Non-Compliance Fee-Nutritional Product Sales Minimum	$250 each quarter you do not meet nutritional product sales minimum	On demand if incurred	Measured quarterly, currently you must sell $3,000 of nutritional products each quarter. We reserve the right to change this minimum at any time and any change will be included in our Operations Manual.
Late Reporting Fee – Any report listed in the Operations Manual; including but not limited to Profit and Loss and Monthly Balance Sheet.	$30 per day per report	Payable by 12:00 p.m. CST five days after the report is due, and fee accrues until report is submitted. If the day the report is due is holiday, the report is then due by noon the following work day.	Payable via direct debit. See Note 3,6
Late Payment Charge	$30 per day plus interest accrued at Wall Street Journal Prime Rate + 2% ("Default Rate")	30 days after payment is due.	Charged individually on any weekly late payment of Royalty Fee, Marketing Fund, or any other amounts due our affiliates or us. See Note 3,6
Legal Costs and Attorneys' Fees	All legal costs and attorneys' fees incurred by us. Will vary under the circumstances	On demand. As incurred.	If we must enforce the Franchise Agreement, or defend our action related to, or against your breach of, the Franchise Agreement, you must reimburse us for the expenses we incur (such as attorneys' fees) in enforcing or terminating the agreement

Name of Fee	Amount	Due Date	Remarks
Indemnification	All Amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred by us	You must reimburse us if we are held liable for claims from your operation of the AlignLife Center. Payable to indemnify us, our affiliates, and our owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs, and expenses related to your ownership and operation of your franchise.
Bookkeeping Service Fee	Then current fee. Currently $250 per month for Basic Bookkeeping Service of a maximum of 3 accounts. Additional $25 per month any account required to be managed above the 3 included. Additional charge of $25 per month will be assessed for Profit First Accounting when the Service is requested.	Payable every 30 days after initiating Service Agreement.	Payable via direct debit. See Note 3,6
Corporate On-Site Training (Training Camps)	Then current fee. Currently $549 per Training Camp of onsite training for 3 members, plus travel and living expenses. Fee for Training Camp is covered with the initial payment of the Franchise Fee for the first 12 months after signing the Franchise Agreement. $75 per each additional attendee.	Upon Registration	Payable via credit card upon registration

Name of Fee	Amount	Due Date	Remarks
AlignLife Foundation Course	Then Current Fee. Currently $1794 for the 6 month program. Fee for Foundations Course is covered with the initial payment of the Franchise Fee for the first 12 months after signing the Franchise Agreement	Upon Registration	Payable via credit card upon registration
Immersion Trainings	$997 per immersion training for up to 3 members, plus travel and living expenses. Fee for Training Camp is covered with the initial payment of the Franchise Fee for the first 24 months after signing the Franchise Agreement. $99 per each additional attendee.	Upon Registration	Payable to third party via credit card upon registration.
Technology Fee	$0 to $250 Currently $69/Month	On demand	Payable by direct debit. See Note 7. Fee covers any technology subscriptions that we deem necessary
Audit Fee	$900 plus any reasonable accounting and legal expenses including court costs	On demand	Due only if audit reveals an understatement of 2% or more or the audit is required due to your failure to submit required reports.
Termination Fee	One-half of the then-current Initial Franchise Fee and future projected revenue, plus our Attorney fees and costs on demand	On demand	Payable if you or we terminate the franchise agreement before expiration of the term. See Note 8.

Name of Fee	Amount	Due Date	Remarks
Impermissible Operation	$1,000 per day	On demand	Payable if you continue to operate the franchise after the termination of your franchise agreement. This is in addition to any other right or remedy we may have including the Termination Fee, plus all costs and attorney fees incurred as a result of the violation.
De-Identification	All amounts incurred by us	As incurred	Payable if we de-identify the franchise upon its termination, relocation or expiration.
Insurance Reimbursement Fee	Cost of the insurance	On demand	If you fail to obtain required insurance, we may, at our option and in addition to any other rights and remedies we may have, obtain insurance coverage on your behalf, and you agree to promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us on demand any costs and premiums incurred by us. Your obligation to obtain and maintain the insurance described in this Agreement shall not be limited in any way by reason of any insurance maintained by us.

Name of Fee	Amount	Due Date	Remarks
Inspection Fee	All amounts incurred by us	On demand	Inspection of any of your center(s) will be made at our expense unless we are required to make any additional inspections in connection with your failure to comply with the Franchise Agreement. In such event, we will have the right to charge you for the costs of making all additional inspections in connection with your failure to comply, including travel expenses, hotel accommodations, meals and compensation of our employees.

* In some states, where this structure is not permissible, the Royalty will be automatically converted to the below payment arrangement.

ROYALTY	Weekly Cost	Weekly Cost with MetaLife Weight Loss System
Year 1	$298	$362
Year 2-4	$460	$524
Years 5-7	$613	$677
Years 8 - 10	$815	$879

** In some states, where this structure is not permissible, the Marketing will be automatically converted to the below payment arrangement:

MARKETING	Weekly Cost	Weekly Cost with MetaLife Weight Loss System
Year 1	$250	$314
Year 2-4	$275	$339
Years 5-7	$346	$410
Years 8 - 10	$466	$524

NOTES:

(1) "Gross Sales" means all revenue generated through or at the Center, including fees for any Services provided or Products sold and online sales, whether for cash or credit, and income of every kind or nature related to the Center. Gross Sales shall not include patient refunds or valid discounts.

(2) Except as otherwise noted in the table above, all fees are non-refundable, and are imposed by and payable to us.

(3) Unless restricted by applicable banking laws, we will establish a direct debit program with your bank to allow for the electronic transfer of the weekly royalty and marketing fee, as well as any

penalty fees assessed. You must sign any necessary documents authorizing the automatic transfer. We will automatically debit your account each Tuesday morning for the previous week's royalties and marketing fee. We will assess these royalty and marketing fees based on computer-generated statistics of each Center. Any other fees will be automatically debited at the time they are incurred. For all fees payable on a national holiday, or non-banking day, the payment will be due and debited on the following business day.

If at any time you have failed to pay any amounts owed to us and the amounts remain unpaid for 30 days, you will begin to accrue a $30 per day late payment fee until the past due balance is resolved. We also have the right to terminate your Franchise Agreement for failure to make payments to us when due.

(4) For a conversion franchise, the collection of royalty fees will begin 90 days after the Franchise Agreement is signed.

(5) The Local Marketing Co-Op Fund will be managed and maintained by members of the Co-Op. The contribution will not exceed $1,000 or 3% of Gross Sales whichever is greater, unless there is a $^2/_3$ vote decision by all members of the co-op to increase the contribution. Centers owned by us or our affiliates will have the same voting rights as franchisees. Contributions to the Local Co-Op will be credited toward your required Local Advertising each month. If there is no advertising cooperative formed for an area that includes your Center, you agree to expend not less than 1% of Gross Sales each month on advertising in your territory to promote your Center.

(6) The late fees/interest will accrue from the date payments are due and continue until outstanding balance and accrued interest is paid in full.

(7) The Technology Fee is a pass through fee for any technology services we purchase at a discount for your clinic such as the Project Manager System, gSuite tools, Health Secrets TV, intranet sites, financial reporting software and any technology tools that can benefit the growth of your clinic.

(8) You must pay the termination fee, plus any costs and attorneys' fees incurred by us, if you improperly terminate or close your Location or franchise before your term expires, or we terminate your Franchise Agreement for any default as stated in the Franchise Agreement. You must also pay future revenue resulting from your improper or wrongful termination of the franchise. Future revenues will be calculated using the average royalty collections of the last 12 months with annual growth. Termination fees may be unenforceable in certain states. In the State of Washington, if you are required to pay the termination fee you will not be required to pay future revenue resulting from your improper or wrongful breach or other termination to the Franchise Agreement.

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Item 7

ESTIMATED INITIAL INVESTMENT

FOR NEW FRANCHISE

Type of Expenditure	Low Estimate	High Estimate	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Franchise Fee[1]	$49,000	$49,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Chiropractic or Other Professional Equipment[2]	$20,000	$30,000	Lump Sum	As incurred	Third parties
X-Ray Equipment[3]	$38,000	$48,000	Lump Sum	As incurred	Third parties
Lease Deposit[4]	$6,000	$9,000	As Arranged	As agreed	Landlord
Legal and Accounting[5]	$2,500	$5,000	As Arranged	As Incurred	Professionals
Signage and branding[6]	$6,500	$15,000	Lump Sum	As incurred	Us and Third parties
Furnishings[7]	$2,500	$5,000	Lump Sum	As incurred	Third parties
Clinic and Architectural Design[8]	$4,500	$6,000	Lump Sum	As incurred	Third parties
Permits, Licenses[9]	$0	$2,000	As Arranged	Prior to Opening	Government Agencies
Center Construction[10]	$20,000	$100,000	As Arranged	As incurred	Third parties
Insurance[11]	$500	$1,500	As Arranged	As incurred	Third parties
Initial Inventory And Supplies[12]	$4,300	$5,800	As Arranged	As incurred	Us and Third parties
Computers, TVs, Supplies and Installation[13]	$700	$5,000	Lump Sum	As incurred	Third parties
VoIP Telephone Equipment[14]	$348	$996	Lump Sum	As Incurred	Third Party
Quickbooks Subscription- 3 Months	$84	$84	As Arranged	As incurred	Third parties
EMR Software Subscription and start up fee for EMR Software-3 Months[15]	$1,300	$1,300	As Arranged	As Arranged	Third Party

Type of Expenditure	Low Estimate	High Estimate	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Merchant Services Monthly Minimum (Credit Card Processing company)	$120	$120	As Arranged	As Arranged	Required Vendor
Initial Corporate Training Expenses including food, travel and hotel for owner and one staff member[16]	$5,800	$9,600	As Arranged	As incurred	Third parties
Clinic Opening Promotion[17]	$5,000	$10,000	Lump Sum	Upon Signing	Us
Three Month Bookkeeping Services[18]	$750	$900	As Arranged	Upon Signing Service Agreement once clinic is open.	Us
Three Months Staff Salary[19]	$7,200	$8,600	As Arranged	As incurred	Staff Member
Three Months Provider Salary[20]	$0	$12,000	As Arranged	As incurred	You or Other Provider
Three Months Technology Fee [21]	$207	$750	As Arranged	As incurred	Us
Three Months Digital Ad Spend	$6,000	$18,000	As Arranged	Upon signing the Digital Marketing Service Agreement in conjunction with clinic opening.	Us
Three Months Additional Funds[22]	$10,000	$20,000	As Arranged	As Incurred	
Total Estimated Initial Investment[24]	$191,309	$363,650			

FOR CONVERSION FRANCHISE

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment is to be Made
Franchise Fee[1]	$39,000	$39,000	Lump Sum	Upon Signing of Franchise Agreement	Us
Chiropractic or Other Professional Equipment[2]	$0	$30,000	Lump Sum	As incurred	Third parties
X-Ray Equipment[3]	$0	$38,000	Lump Sum	As incurred	Third parties
Lease Deposit[4]	$0	$9,000	As Arranged	As agreed	Landlord
Legal and Accounting[5]	$2,500	$5,000	As Arranged	As Incurred	Professionals
Signage and branding[6]	$6,500	$15,000	Lump Sum	As incurred	Us and Third parties
Furnishings[7]	$0	$5,000	Lump Sum	As incurred	Third parties
Clinic and Architectural Design[8]	$4,500	$6,000	Lump Sum	As incurred	Third parties
Permits, Licenses[9]	$0	$2,000	As Arranged	Prior to Opening	Government Agencies
Center Construction[10]	$10,000	$70,000	As Arranged	As incurred	Third parties
Insurance[11]	$500	$1,500	As Arranged	As incurred	Third parties
Initial Inventory And Supplies[12]	$4,300	$5,800	As Arranged	As incurred	Us and Third parties
Computers, TVs, Supplies and Installation[13]	$0	$5,000	Lump Sum	As incurred	Third parties
VoIP Telephone Equipment[14]	$348	$996	Lump Sum	As Incurred	Third Party
EMR Software Subscription and Startup fee for EMR Software - 3 Months [15]	$1,300	$1,300	As Arranged	As Arranged	Third Party

Type of Expenditure	Low Estimate	High Estimate	Method of Payment	When Due	To Whom Payment is to be Made
Merchant Services Monthly Minimum (Credit Card Processing company)	$120	$120	As Arranged	As Arranged	Required Vendor
Initial Corporate Training Expenses including food, travel and hotel for owner and one staff member[16]	$5,800	$9,600	As Arranged	As incurred	Third parties
Clinic Opening Promotion[17]	$5,000	$10,000	Lump Sum	Upon Signing	Us
Three Month Bookkeeping Services[18]	$0	$750	As Arranged	Upon Signing Service Agreement once clinic is open.	Us
Three Months - Staff Salary[19]	$0	$8,600	As Arranged	As incurred	Staff Member
Three Months - Provider Salary[20]	$0	$0	As Arranged	As incurred	You or Other Provider
Three Months of Quickbooks Subscription	$84	$84	As Arranged	As incurred	Third parties
Three Months Technology [21]	$207	$750	As Arranged	As incurred	Us
Three Months Digital Ad Spend	$3,000	$18,000	As Arranged	Upon signing the Digital Marketing Service Agreement in conjunction with clinic opening.	Us
Additional Funds – 3 months[22]	$0	$10,000	As Arranged	As Incurred	
Total Estimated Initial Investment[24]	$83,159	$291,500			

NOTES

Your initial investment will vary considerably depending on the method and amount of financing that you use, and whether you are a start up Franchisee or a conversion Franchisee. The initial franchise fee, equipment and other items are shown in full, although they may be financed or leased, and are exclusive of any taxes that may be imposed. Costs for conversion franchisees are likely to be significantly lower than

those shown here. None of the expenses listed in the above chart are refundable, except any security deposits you must make may be refundable.

(1) ***Franchise Fee***. See Item 5 for more information about the initial franchise fee.

(2) ***Chiropractic or other Professional Equipment***. Your equipment package must include adjusting tables and other chiropractic related equipment necessary to operate your clinic. You may purchase these from an approved supplier. With our approval, you may purchase refurbished equipment. The low end of our estimate assumes that you are financing the purchase of the required equipment.

(3) ***X-Ray Equipment***. This estimate is exclusive of shipping and installation. With our approval, you may purchase refurbished equipment. The x-ray machines are non-refundable. If in an urban area and it is not economically feasible to build an x-ray room, you can request written approval from AlignLife to use a facility in the region. If you do not have an x-ray machine, you will need to use the required vendor.

(4) ***Lease Deposit***. This amount is based on an estimated deposit equal to one to two months' rent. This amount will vary depending upon the location of the Center and local market conditions, among other factors. The deposit is typically refundable or applied against rent at a date later in the lease term. Terms of the refundability will depend upon the terms of the lease and your ability to negotiate with your landlord.

You will need between 1,000 and 2,500 square feet of space in a free-standing building or medical office building. The office space you wish to occupy must be approved by us. Our estimates assume that you will be leasing space and that you will not purchase real property and build your own building for your Center. If you choose to purchase real property and build an office, we cannot estimate how your initial investment would increase.

(5) ***Legal and Accounting***. This item estimates the cost of basic legal and accounting services provided to you by legal and accounting firms in your review of this franchise offering and other pre-opening legal or financial matters. You do not have to engage these professionals to review your Center opening plans, but we strongly recommend that you do. These fees are non-refundable.

(6) ***Signage and Branding***. The size and type of your outdoor signage will be dictated by the specification in your lease agreement and permit regulations. All final sign renditions must be approved by us before you commit to purchasing the signage from our required supplier. Our estimate does not include getting the appropriate approval by a healthcare attorney to ensure it meets the applicable laws in your state. This fee also includes the Initial Branding Package. These fees are non-refundable.

(7) ***Furnishings***. Furnishings include the custom Alignlife front desk, reception room chairs, tables, desks, shelving and other necessary furniture. Conversion franchisees may not have to purchase any of these items. These fees are non-refundable.

(8) ***Clinic and Architectural Design***. Clinic design consists of space planning which is laying out the office for the best utilization of space to maximize efficiency. You must, at your expense, use the required vendor for these clinic services and build out the location based on the signed agreement between you and the required design consultant. These fees are non-refundable. If required by your state or local government, an Architect may be required to review and approve plans from the designer of the clinic space. If so needed, this service will be at your expense.

(9) ***Permits and Licenses***. This may include inspection fees, occupational license fees and other fees that will vary from one jurisdiction to another. These fees are non-refundable. The low end of the estimate would occur if the new franchisee buys an existing chiropractic business that would require no build out or modifications.

(10) ***Center Construction***. Your construction costs will vary considerably depending on the size of your Center, location, local labor laws, local building codes and shipping costs. Conversion franchisees should have minimal, construction/leasehold improvements to meet our requirements. Construction can begin once architectural designs are signed off and completed according to specifications.

(11) ***Insurance***. You must maintain various insurance policies, including general liability and approved malpractice insurance. This estimate covers the initial premium payments to acquire these policies. All insurance policies you purchase must name us and any affiliate we designate as additional insureds, and provide for 30 days prior written notice to us of a policy's material modification or cancellation. If you fail to obtain or maintain the insurance we specify, we may (but are not required to) obtain the insurance for you and the Franchise Clinic on your behalf. The cost of your premiums will depend on the insurance carrier's charges, terms of payment, and your insurance and payment histories. You should consult with and follow the advice of your insurance broker with regard to insurance matters. These fees may be refundable based on a pro-rata basis.

(12) ***Initial Inventory and Supplies***. This estimate includes the average initial inventory of products as well as general office supplies required to operate the Center. The estimate includes your initial supply of cervical pillows, chiropractic supplies, office supplies and the required Essential track purchase from Aceva, our affiliate. These fees are non-refundable.

(13) ***Computers, TVs, Supplies and Installation***. The expense depends on the amount of computer workstations and televisions needed in your office. Installation expense will be dependent on the number of workstations to install. Conversion franchisees may not incur this expense if we determine that their existing computer systems and/or televisions meet our requirements. These fees are non-refundable.

(14) ***VoIP Telephone Equipment and Service.*** Phone equipment must be purchased from our required supplier. These estimates include the cost of the required equipment, initial activation fees and an estimate of the first 3 months of service. Low estimate is for two phones plus router; high estimate is for four phones plus router.

(15) ***EMR Software Subscription.*** This estimate is for 3 months EMR Software Subscription at $300/month. There is also an additional $400 startup fee. Monies will be collected by ChiroHD Ventures who is licensing the software for your use. These fees are non-refundable**.**

(16) ***Initial Training Expenses***. You must pay for all your own transportation, meals and other expenses associated with attending the required initial training programs we provide. These costs will vary depending upon a number of factors, including your proximity to the initial training site and the type of accommodations you choose. The low estimate includes 3 corporate trainings and includes travel for the owner and a staff that is in driving distance to the location where the training will be held and therefore would not require airfare or car rental. The high estimate is for 5 corporate trainings and includes flights for the owner and one staff plus a rental car. These fees are non-refundable.

(17) ***Clinic Opening Promotion***. You must spend between $5,000 and $10,000 to advertise, promote and coordinate the clinic opening of your Center. The clinic opening promotion should include

radio, newspaper, branding, digital marketing and local marketing. These fees will be paid to us and we will coordinate advertising on your behalf. These fees are non-refundable.

(18) ***3 Months of Bookkeeping Services.*** If you are a start-up franchise, you must utilize AlignLife's Bookkeeping Service for the first year your Center is in operation. Conversion franchises and Start Up Franchises after their first year have the option to use/continue to use AlignLife's Bookkeeping Services but are not required to do so.

(19) ***3 Months Staff Salary.*** You affirm, warrant and understand that you may staff AlignLife centers with as many employees as you desire at any time so long as our minimal staffing levels are achieved. There must be a minimum of 1 full time staff member. The $0 for staff salary would occur if a spouse fulfilled the role of the 1 full time staff member.

(20) ***3 Months Provider Salary.*** As a conversion franchise you would continue to pay the same costs that you already had. No additional funds would be necessary. This estimate is based on 1 provider. The circumstances in which you would have $0 as provider salary would be if the owner is the provider and opted not to pay themselves a salary.

(21) ***Technology Fee***. This estimate is for 3 months of any technology services we purchase at a discount for your clinic, such as the Project Manager System, gSuite tools, Health Secrets TV, intranet site, financial reporting software and any technology tools that can benefit the growth of your clinic. This fee is non-refundable.

(22) ***Additional Funds***. This total is an estimate of your initial investment and the expenses you will incur during the first three months of operations. In compiling this chart, we relied on our CEO's 16 years of experience with AlignLife and 25 years' experience in clinic operations. The amounts shown are estimates only and may vary for many reasons including how much you follow the System, the capabilities of your management team, the effort you put into developing your Business, and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These are only estimates and your costs may vary based on actual rental prices in your area, and other site-specific requirements or regulations. The costs outlined in this Item 7 are not intended to be a forecast of the actual cost to you or to any particular franchisee.

(23) ***Total.*** To compile these figures, we relied upon our research into current development costs as well as our franchise advisors' direct experience in business development and our experience in developing our affiliates. These figures will vary appreciably for each Center and will be dependent on many factors, such as local market conditions and location. You should independently investigate the costs of opening an AlignLife Center in the geographic area in which you intend to open an AlignLife Center. You should review these figures with a business advisor before making any final decision to purchase the franchise.

Item 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

REQUIRED PURCHASES

You must purchase certain products, supplies, insurance, inventory, signage, fixtures, furniture, equipment, decor, and other specified items that we periodically establish in our Manual and update on the AlignLife online portal for your Franchised Business solely from suppliers who have been approved in writing by the Company. These specifications are established to provide standards for performance, durability, design and

appearance. You are not allowed to purchase any item from an unapproved supplier. When selecting suppliers, we consider all relevant factors, including the quality of goods and services, service history, years in business, capacity of supplier, financial condition, terms and other requirements consistent with other supplier relationships. All approved and required vendors will be listed in the Manual and updated real time on the online AlignLife portal and this list should be reviewed before any purchases are made. We will provide 60 days written notice to you for any modifications of required and approved vendors or the modification of specific products before you must utilize the updated product or vendors.

We grant and revoke approval of suppliers through 30 days written notice to our suppliers.

You must maintain insurance against losses, such as workers' compensation, disability, public liability business interruption, and any additional insurance required by your landlords. Currently the minimum coverage is $2,000,000 for general liability insurance, with additional umbrella coverage of $1,000,000 for any one incident and $150,000 for property damage for each Center. Additionally, you must maintain malpractice insurance for you and all chiropractors practicing in your Center(s) with a minimum of $1,000,000 for any one incident and $3,000,000 aggregate coverage. We may increase these requirements in the future and will notify you of changes. The insurance must name us as an additional named insured, and may not be cancelable except on at least 30 days prior written notice to us. You must furnish us with an approved certificate of insurance evidencing these required coverages. Insurance must be provided by an insurer rated "A" or better by A.M. Best & Co. We recommend that you discuss other appropriate coverage with your insurer.

You must sign up for an EMR Software Subscription from the Required Vendor. Additional information on the required computer system is included in Item 8.

You must purchase the approved, customized AlignLife front desk, retail display center, indoor and outdoor signage, AlignLife Chiro Life Line and Canvas wall art as laid out in the Manual from the Required Vendors prior to your clinic opening for a start up franchise and within 90 days of signing the franchise agreement for a conversion franchise.

You must invest a minimum of $2,000 per month in digital ads paid to AlignLife Systems or alternative approved vendors.

You must purchase the Initial Branding Starter Package which is approximately $1,000 from our Required vendor for paper goods, branded items and promotional materials.

You must subscribe and use QuickBooks Online for your bookkeeping needs and utilize the AlignLife Chart of Accounts. There is no cost associated with the AlignLife Chart of Accounts.

You must purchase the Aceva Essential Track which includes the mandatory nutrients that must be stocked in each clinic.

You must purchase a digital x-ray machine if you don't already have a machine in your existing clinic.

You and all of your staff members are required to maintain HIPAA compliance at all times.

Any advertising you propose to use that has either not been prepared by us or not previously approved by us within the most recent 12 month period must be submitted to us before you may use it. We will have 10 business days to review your proposed advertising materials. Unless we provide you with our specific approval of your advertising materials, they are deemed not approved.

Except as set forth in this Item 8, there are no other requirements for you to purchase or lease in accordance with our specifications or from our approved suppliers.

We estimate that your purchases from us or approved suppliers, or that must conform to our specifications, will represent approximately 20% to 30% of your total initial investment and 20% to 25% of your total purchases and expenses in the continuing operation of the Center.

REQUIRED AND APPROVED SUPPLIERS

These are the current required and approved suppliers for our products. All required suppliers are considered approved. Aceva is the required supplier of supplements. Our CEO, Dr. Joseph Esposito, and President, Dr. Cristina Esposito, own an interest in Aceva, LLC. None of our officers has an ownership interest in any other approved supplier. Aceva reserve the right to earn a profit from the sale of their products to our franchisees.

Sole Supports is the required supplier for orthotics casts. FastSigns is the required supplier for signage. MeyerDC is the required supplier for chiropractic supplies and Proper Pillows. Davelen is the required supplier of initial office design and layout as well as remodeling. Davelen is also the required supplier of all modular furniture and millwork. ClarityVoice is the required phone system. ProForma is the required supplier for AlignLife branded apparel, paper goods, promotional materials, AlignLife Canvas Artwork and the AlignLife Chiro Lifeline Wall Display. Intuit is the required supplier for Quickbooks Accounting Software. Fortis is the required supplier for Merchant Services and for payment integration into the required EMR software. ChiroHD is the required EHR software and it is required to integrate the autoposting component of the software. Merry X-Ray Corp, LLC. is the required supplier of digital X-ray machines. ChiroSecure is a required supplier of malpractice insurance. Evexia Labs is the required supplier for functional laboratory testing.

Advance Care and HFA are the approved supplier of third-party patient financing. ADP is an approved supplier for Payroll Services. Office Ally is an approved supplier for Billing Clearinghouse. CMC Billing and Consulting is the approved supplier for Billing Consulting. Performance Health Systems is the approved supplier for the Power Plate vibration modality. Chiropractic Leadership Alliance is the approved supplier for INSIGHT Scanning Technology. ChiroMatch Makers is the approved supplier for staff and doctor recruitment. Spinal Hygiene is the approved supplier for spinal hygiene kits. Medical Billing Solutions is an approved supplier for medical billing services and credentialing. Inbody is the approved supplier for BIA testing. Dell is an approved supplier for computers, peripherals and televisions. Staples Advantage is an approved supplier for office supplies, computer equipment, furniture and other consumables. Abyde is the approved supplier for HIPAA compliance services. Morrow Hill is an approved leasing agent.

APPROVAL OF ALTERNATIVE SUPPLIERS

You may contract with alternative suppliers who meet certain specifications and we approve at our sole discretion. These specifications may include minimum standards for quality control, quantity, delivery, performance, design, appearance, durability, style, warranties, price range, financial stability, customer service, and other related restrictions. We consider these specifications to be of critical importance in meeting patient expectations, upon which the success of the System is measured. The Manual sets forth these specifications as well as vendors who currently meet these specifications. If you choose to purchase or lease items from vendors not previously approved by us, or if you wish to distribute any items not previously approved in writing by us, but which you believe meet our quality control and other System specifications, you must first notify us. You must strictly follow the requirements of the vendor approval process set forth in the Operations Manual. We will notify you in writing within a reasonable time, not to exceed 90 days, whether we approve of your proposed vendor. The fees to consider approval to purchase

from alternative suppliers are as follows: $50 for a vendor; and $50 for an additional product or service. If you are seeking approval of an individual product from a vendor who is already approved, the individual product evaluation is the only fee that applies. Although products may be approved, they may or may not be approved to be displayed in the office.

We may require, among other things, submission of sufficient specifications, photographs, drawings, random samples and related information to determine whether the proposed product or supplier meets our specifications. We issue specifications and standards to franchisees as set forth in the Manual and apply the following criteria, among others, in considering whether we will approve the supplier:

1. Ability to produce the products, supplies or equipment to meet both our standards and specifications for quality and uniformity and our patients' expectations;

2. Production and delivery capabilities and ability to meet supply commitments;

3. Integrity of ownership (to ensure that its association with us will not be inconsistent with our image or damage our goodwill)

4. Financial stability; and

5. The negotiation, if necessary, of a mutually satisfactory license to protect our intellectual property.

REVENUE FROM FRANCHISEE PURCHASES

We will derive revenue from required purchases or leases by you and we reserve the right to obtain any and all profit from required purchases or leases by you.

During the fiscal year ended December 31, 2021, our affiliate, Aceva, LLC, had total revenue of $1,069,338 of which $294, 775 (or 28%) was derived from required purchases of Aceva products.

COOPERATIVES

We do not currently have any purchasing or distribution cooperatives, but we reserve the right to create them in the future.

NEGOTIATED PRICES AND REBATES

We negotiate price terms with our suppliers on your behalf for items that we require or suggest that you purchase in operating your franchise. We have the right to collect and retain any and all allowances, rebates, credits, incentives, or benefits (collectively, "Allowances") offered by manufacturers, suppliers, and distributors to you, to us, or to our affiliates, based upon your purchases of products and services from manufacturers, suppliers, and distributors. We or our affiliates will have all of your right, title, and interest in and to any and all of these Allowances. We or our affiliates may collect and retain any or all of these Allowances without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor).

During the fiscal year ended December 31, 2021 we had total revenue of $2,232,831.78 of which $13,334 (or .59%) was in the form of Allowances paid to us by approved suppliers which was derived from required purchases or leases.

MATERIAL BENEFITS

We do not provide any material benefits to you, such as the grant of an additional or renewal franchise, based on your purchases from sources we approve.

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.

In the table below, the abbreviation F.A. means the Franchise Agreement.

Obligation	Section in agreement	Disclosure document item
a. Site Selection and Acquisition/Lease	Paragraphs 7 and 8, F.A.	Items 6 and 11
b. Pre-Opening Purchase/Leases	Paragraph 12, F.A.	Item 8
c. Site Development and Other Pre-Opening Requirements	Paragraphs 7, 8 and 10, F.A.	Items 7 and 11
d. Initial and Ongoing Training	Paragraph 10, F.A.	Item 11
e. Opening	Paragraphs 2, 4, 5, 8, F.A.	Item 11
f. Fees	Paragraphs 5 & 6, F.A.	Items 5, 6, 7, 8 and 11
g. Compliance With Standards and Policies/Operating Manual	Paragraph 15, F.A.	Item 11
h. Trademarks and Proprietary Information	Paragraphs 15, 16 and 19, F.A.	Items 13 and 14
i. Restrictions On Products and Services/Services Offered	Paragraphs 12, 15 and 19, F.A.	Item 8 and 16
j. Warranty and Customer Service Requirements	Paragraph 12, F.A.	Item 11
k. Territorial Development and Sales Quotas	Not Applicable	Not Applicable
l. Ongoing Product/Service Purchases	Paragraphs 12 and 15, F.A.	Item 8
m. Maintenance, Appearance and Remodeling Requirements	Paragraphs 9 and 15, F.A.	Item 11

Obligation	Section in agreement	Disclosure document item
n. Insurance	Paragraph 15, F.A.	Item 8
o. Advertising	Paragraph 13, F.A.	Items 6 and 11
p. Indemnification	Paragraphs 16 and 21, F.A.	Item 6
q. Owner's Participation/ Management/Staffing	Paragraph 15, F.A.	Items 11 and 16
r. Records and Reports	Paragraph 14, F.A.	Items 11 and 16
s. Inspections and Audits	Paragraphs 14 and 17, F.A.	Item 17
t. Transfer	Paragraph 20. F.A.	Item 17
u. Renewal	Paragraph 3, F.A.	Item 17
v. Post-Termination Obligations	Paragraph 18, F.A.	Item 17
w. Non-Competition Covenants	Paragraphs 18 and 19, F.A.	Item 17
x. Dispute Resolution	Paragraph 21, F.A.	Item 17

Item 10

FINANCING

Except as described below, we do not offer any direct or indirect financing. We do not guarantee your note, lease or other obligation.

If you meet our qualifications, including a minimum credit score, and/or a cosigner, we may offer to finance up to 50% of your initial franchise fee, as described in Item 5. The total amount financed is repayable to us up to 36 months with interest at the then-current prime rate plus 8-15% per annum depending on the credit profile of the franchisee. Repayment of this financing starts 90 days after you sign our promissory note if you are a conversion franchisee or 90 days from your center's opening if you are a startup franchisee. If you finance the maximum amount with us ($24,500), and assuming the prime rate of interest is 3.25%, and you were approved for prime rate plus 8% your monthly payment would be $805. The Promissory Note may be prepaid, in full or in part, at any time, without the payment of any prepayment fee or penalty. Any partial prepayment shall be applied against the principal amount outstanding and shall not extend or postpone the due date of any subsequent required installment or change the amount of any such installments.

As of November 3, 2022 the prime interest rate was 7%.

Below please find our criteria in determining the interest rate above prime based on credit scores.

- 740+ = Prime + 8%
- 680 to 739 = Prime + 10%
- 640 to 679 = Prime + 12%
- 600 to 639 = Prime + 15%

If you qualify for and choose to accept these installments, you will sign our form of Promissory Note and Personal Guaranty, which are attached as Exhibit 5 to the Franchise Agreement. If you default in any payment under the Promissory Note, we will have the right to terminate your Franchise Agreement. If your Franchise Agreement is terminated for cause, any amount you still owe to us under the Promissory Note will become immediately due and payable, and is in addition to any money you may owe to us under the terms of the Franchise Agreement. In the event any monthly payment is not received by us within 3 days of its due date, you will also pay 5% late fee for unpaid installments.

The Promissory Note must be signed by you or an authorized officer, if you are a corporate entity. The Personal Guaranty must be signed by each person having an ownership interest in the franchise (referred to as a "Principal"). Under the Promissory Note and Personal Guaranty, you waive your right to a jury trial, as well as your rights to notices and set-off rights. There is no specific security interest required to be pledged under the Promissory Note or Personal Guaranty, but these agreements are subject to your compliance with the terms of the Franchise Agreement.

Under the Promissory Note, if you incur an "Event of Default", we have the right to declare all unpaid amounts under the Promissory Note to be immediately due and payable, and we have the right to charge interest on any unpaid amount at the maximum contract rate permitted by law. In addition, you must pay all costs and expenses we incur, including attorneys' fees, related to enforcing our rights under the Promissory Note, and we may terminate your Franchise Agreement and take back your territory. An "Event of Default" includes (a) you fail to make any payment of principal of or interest on the Note on its due date; (b) if any judgment, attachment, levy or execution against you is not fully paid and/or discharged or released within 30 days; (c) you become insolvent and unable to pay your debts; (d) you make an assignment for the benefit of creditors, declare bankruptcy or permit a trustee or receiver to be appointed for you and this continues undischarged for 30 days; or (e) you breach any representation, warranty or covenant contained in the Franchise Agreement.

We do not intend to sell, assign or discount to a third party all or any part of a financing arrangement we provide to you.

The United States Small Business Administration (the "SBA") currently offers a Franchise Registry Program to allow for the expedited processing of SBA loans for franchisees of approved franchisors. We have complied with the eligibility requirements of the SBA's Franchise Registry Program and have been approved for participation. Accordingly, AlignLife franchisees who apply for SBA loans will receive a benefit of a streamlined loan process. You should not construe the presence of the AlignLife franchise program on the SBA's Franchise Registry as an endorsement by the SBA, a guarantee you will be approved for a loan, or an indication of the success or profitability of an AlignLife franchise.

Item 11

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

Except as listed below, AlignLife Systems, LLC is not required to provide you with any assistance.

PRE-OPENING ASSISTANCE

Before you open your business, we will:

(1) **Site Selection Assistance.** Approve or disapprove the location of a site that you select for the actual location of the Center. You must use your best efforts to find and select a mutually agreeable site within your Protected Territory within 60 days after signing the Franchise Agreement. We have no time limit set to approve or disapprove a site but anticipate it will take up to 14 days after we have received all reasonably requested materials concerning the proposed site. The site must meet our criteria for demographics, parking, traffic patterns, neighborhood, ingress and egress, size, appearance, nature of other businesses, and other physical attributes. We estimate, but do not require, the site be approximately 1,000-2,500 square feet, must have ample parking based on square footage and be located in a high traffic area. (Paragraph 8.1 of the Franchise Agreement). We generally do not own the premises and lease it to our franchisees. If you are a conversion franchisee, then we will be deemed to have approved of your existing location when we offer you the Franchise Agreement for execution.

There are no time limits to conform the premises to local ordinances and building codes and obtain any required permits. However, it is recommended that you obtain these documents soon after you receive approval for your location to keep the project moving along expeditiously.

We expect that the typical length of time between signing a Franchise Agreement and opening the Center will be between six and nine months. Factors that can affect the length of time are: your ability to locate a site, negotiate the lease, and successfully complete our initial training program. If you fail to open the Center within these time frames, we have the right to terminate the Franchise Agreement (Paragraph 8.2 of the Franchise Agreement).

You must have 1 full time working staff, Internal and External AlignLife Signage Installed, AlignLife custom front desk installed, space painted with the required AlignLife color scheme, posters displayed as indicated in the Operations Manual, required retail Display, Health Secrets TV Display running as well as AlignLife Chiro Lifeline displayed prior to opening for business for a new clinic and within 90 days for a Conversion franchisee and a Start Up franchisees that is an established clinic.

We will provide the names of approved and/or required suppliers for the x-ray machine, software, supplements, office supplies, chiropractic equipment and computers. We will provide written specifications for these items but we will not deliver or install these items.

(2) **Approval of Site Lease.** You must submit to us a form of the lease to be executed to obtain our written approval of the site. You must lease the premises for the Clinic within 90 days after signing the Franchise Agreement. We may terminate the Franchise Agreement if you do not sign your lease by this deadline. A condition to approving the lease is the inclusion of certain provisions in the lease protecting our interests (Paragraph 7.2 of the Franchise Agreement).

(3) **Architectural and Design Specifications**. Under our guidance, our required vendor, will furnish you with complete documentation for the Architectural Interior designs and specifications to include the design of the millwork built-ins and the source and specifications for loose furnishings to install in the Center, as the purchase of loose furniture and artwork will typically be outside the construction costs (Paragraph 8.1 of the Franchise Agreement).

(4) **Initial Corporate Training.** You and all Managers must attend and successfully complete to our satisfaction the mandatory Conversion/Retention and Attraction/Team Building (Training Camps) in addition to all courses in the Operations Manual offered by us within 270 days of signing the franchise agreement.

The following is our current initial training program:

INITIAL TRAINING PROGRAM				
Subject	Hours of Online Courses Training	Hours of Classroom Training	Hours of Webinar Training	Hours of On-Site Training
Franchise and Expectations Compliance	2	0	4	0
Pre-Opening Procedures	2	0	0	0
Clinic Daily Operations	2	8	8	3
Internal, External and Digital Marketing	2	12	15	3
Patient Conversion Procedures	4	12	15	3
Patient Retention Protocols	2	12	15	3
Team Building/Staff Management	2	12	15	0
Total Training Hours	16	56	72	12

Training will be conducted by our CEO, Dr. Joseph Esposito who has 16 years with AlignLife and 25 years' experience in clinic operations; our President and Chief Operating Officer, Dr. Cristina Esposito who has 16 years with AlignLife and 17 years' experience in clinic operations; our Director of Training, Dr. Cliff Fisher who has 3 years with AlignLife and 25 years' experience in clinic operations; our Senior Trainer, Dr. Joe Clarino who has 6 years with AlignLife and 25 years' experience in clinic operations; and our Director of Digital Marketing, Keri Quin who has 9 years with AlignLife and 28 years' experience in marketing. The training team may change without notice at any time.

The instructional materials consist of our Operations Manual and all related forms. The Table of Contents for our Operations Manual is attached to this Disclosure Document as Exhibit F. The Operations Manual includes approximately 422 pages. Each of our instructors has at least 8 years of experience relevant to the subjects they are teaching.

The initial corporate training program will also include up to 10 hours (at our sole discretion and at the time we designate) of on-site training at the Approved Location. The content of the on-site training will include operational techniques, equipment operation, customer relations, and indoctrination in the System, and other items as we determine. At least one principal of yours and all of your Managers and employees must participate in this program, if we provide it. (Paragraph 10.1 of Franchise Agreement)

In addition, the Training Immersions consist of up to 8 days of classroom trainings at various locations as designated by The Remarkable Practice, LLC. During the first twenty-four (24 months) of signing of the Franchise Agreement, you and 2 other members may attend up to 3 of these training sessions at no additional charge. If you wish to send additional members to an immersion, you must pay $99 per additional member as well as the member/trainee's expenses. The Training Immersions include a discussion of the System, communication processes, office procedures, methods of operation, team building, internal and external marketing, digital marketing, customer relations and practical experience in the operation of a Center, and other items determined at the sole discretion of the Remarkable Practice. (Paragraph 10.1 of Franchise Agreement).

(5) **Operating Manual.** We will provide you an online manual. The Manual will include specifications for operations, communication, equipment, supplies, inventory and management. The Manual is confidential and proprietary to us and remains, at all times, our property. We may modify the Manual from time to time, but these modifications will not alter your status and rights under the Franchise Agreement. A copy of the Manual Table of Contents is attached to this disclosure document as Exhibit F (Paragraph 15.6 of the Franchise Agreement).

POST-OPENING ASSISTANCE

1. **Corporate Training Camps.** We will provide live training sessions at the corporate office or at an offsite location approved by the corporate office. These Training Camps can be taken throughout the year to enhance your knowledge of the AlignLife System. They will be provided throughout the year and the cost is covered with your paid Franchise Fee for the first (12) twelve months and then a nominal fee thereafter (See Item 6 for fees) You will be responsible for the travel, living expenses, and compensation of you and/or your employees incurred during these training programs and classes, and for the expenses of an interpreter, if necessary (Paragraph 10.1 of the Franchise Agreement). Based on your clinic performance levels, you may be required to attend additional trainings at our sole discretion and at your cost.

2. **Online Training**. We will provide educational training via webinars or teleconference throughout the year. This platform will enable you to engage in the training and ask questions. Topics include: methods of operations of a Center; marketing and promotions; communication, and the establishment of administrative, and general operating procedures (Paragraph 11 of Franchise Agreement). You are required to adjust your patient schedule in order to attend weekly corporate trainings currently held every Tuesday. Day and time of weekly corporate trainings may change at any time with a 30 day notice. You and your team will be required to complete online refresher courses quarterly.

3. **Additional Live Training.** We will hold a national convention with our operations and support personnel and franchisees to discuss sales techniques, operating procedures, and marketing methods, and to introduce new products or services, management tools, marketing programs, or promotional items. You are required to attend this convention at least 2 out of every 3 years. We may also hold regional trainings in areas where multiple AlignLife Centers are located. When meetings are held, we have the right to require you (or, if the franchisee is not an individual, the person designated by the franchisee as responsible for the general oversight and management of the franchised business) to attend and successfully complete training programs, and you must pay for all expenses you and your trainees incur, which may include travel, lodging and meals. (Paragraph 10.3 of Franchise Agreement).

4. **Daily Support.** We will provide you with access to our support center which provides the ability to receive answers to your question on the AlignLife System. These questions can be asked by submitting a ticket to our support center. (Paragraph 11.2 of Franchise Agreement).

5. **Operations Manual Updates.** We will provide updates to the AlignLife operational manual that includes written operational processes, training videos and additional resources. This resource is available online 24 hours a day for both the doctor and the staff, bearing any internet outages. (Paragraph 15.6 of Franchise Agreement).

6. **Clinic Visit.** We will provide a periodic onsite analysis of your Center, and give you the results of the analysis. We will inform you about operating issues that we discover during our visits and upon reviewing reports you submit to us. (Paragraph 11.2 of Franchise Agreement).

7. **Approved and Required Vendors.** We will provide you with vendors who have been vetted and approved as strategic partners of AlignLife to provide products and services at discounted rates to assist in the growth of your business. The required vendors must be utilized while the approved vendors are optional but must be used over other similar vendors unless a new vendor is approved. (Paragraph 12.2 of Franchise Agreement).

8. **Training on Additional Services**. We will provide training on the integration of natural health services, in addition to chiropractic services (nutrition consulting, and weight loss), in conjunction with our affiliate company, Aceva, enabling you to provide a comprehensive natural health experience to your patients. (Paragraph 10.2 of Franchise Agreement).

9. **Marketing Assistance.** We will provide marketing assistance that is subject to change based on the marketing expectations in the operations manual. Marketing is provided in three tiers, marketing that will be done for you, the marketing that will be done with you and the marketing that will be done by you after our training. For a successful center, all three types of marketing must be utilized to create a successful Center. We have no obligation to spend any amount on advertising in your area or territory. (Paragraph 13 of Franchise Agreement).

10. **Marketing Approval.** We provide the service of protecting our brand by ensuring all promotional and marketing materials that you or any other franchisee intends to use in any medium must be tasteful and dignified. All promotional and marketing materials must be presented to us and must conform to the standards and requirements specified in the Manual or otherwise, or as may be required by law. We will notify you of our approval or disapproval within 10 business days of our receipt of your proposed materials. Failure to obtain our prior approval on any proposed advertising will result in penalties and could be grounds for immediate termination of the Franchise Agreement (Paragraph 13.3 of Franchise Agreement). You must comply with all revisions to the promotional and marketing materials that we may require before we approve them. Our approval is only an approval of AlignLife standards and should in no way be considered an approval of the standards required by your state board. All franchisees should independently adhere to the rules. (Paragraph 13 of Franchise Agreement).

11. **Marketing Fund Management.** We will establish and administer a marketing and advertising fund (the "Marketing Fund). You must contribute a minimum of $250/week or 4% of your Gross Sales whichever is greater to the Marketing Fund. The Marketing Fund is regulated by us. The same Marketing Fee will be paid by our Company Centers. Marketing Fees will be paid at the same time and in the same manner as the Royalty Fee (Paragraph 13.1 of Franchise Agreement). Until a national advertising program is implemented, the Marketing Fee shall be utilized, in our sole discretion, towards local and regional marketing, and our determination as to the allocation may not be challenged or contested.

All Marketing Fees are maintained in a separate account and must be spent on advertising, graphic design; animation; copywriting; web design; social media production; media creative for radio, television or newspaper; campaign creation; public relations; marketing analytics; market research; agency fees; promotion of seminars; the development of our brands; plus administrative costs, including payroll, associated with the maintenance of the Marketing Fund. We are not required to spend any amount on advertising in your territory. Materials produced with the Marketing Fund may be created in-house or by an outside agency. You must make sure that any marketing materials that we prepare for your use are compliant with the laws of the jurisdiction in which the advertising will be placed. We make no representation that advertising and marketing materials prepared by us are compliant with the applicable laws of any particular jurisdiction. No portion of the Marketing Fund is used for advertising that is principally a solicitation for the sale of franchises. We are reimbursed for administrative costs (including a reasonable allocation for salaries) directly related to administering the Marketing Fund and its programs. If there is any money remaining in the Marketing Fund at the end of a fiscal year, it will be carried forward to be spent in the next fiscal year. If there is a debt to the Marketing Fund at the end of the year (operating fund covered the overspend) then we have the right to pay that money back to the operating fund from the Marketing Fund.

The Marketing Fund is administered by our accounting personnel. The Marketing Fund is not separately audited. An unaudited annual financial statement of the Fund is available if requested in writing for the previous month. The Marketing Fund is our asset however we keep the fund separate. Except as disclosed above, neither our affiliates nor we receive any payment from the Marketing Fund. (Paragraph 13.1 of Franchise Agreement).

During the fiscal year ending December 31, 2021, the Marketing Fund spent 32.4% on production, 34.9% on media placement, 13.8% on administrative expenses; 18.4% on marketing technologies; and 0.12% on other expenses.

12. **Advertising Cooperatives.** We will provide the opportunity to build a marketing co-op in your local region once there are a group of AlignLife Centers in your area. We reserve the right to require that you participate in these local and regional advertising cooperatives in connection with the advertising and promotional programs administered by us. In addition to the Marketing Fee payable by you into the Marketing Fund, you must pay any additional contributions required by a cooperative. You will not, however, be required to contribute more than an additional $1000/month or 3% of the Gross Sales of the Center, whichever is greater, for advertising and promotion in connection with these programs, unless the members of the cooperative with two thirds vote agree that all members should contribute more than 3% of Gross Sales to the cooperative. (Paragraph 13.2 of the Franchise Agreement). Company Centers or affiliate-owned centers will contribute to cooperatives on the same basis as franchisees in their area.

    If there is no advertising cooperative formed for an area that includes your Center, you agree to expend not less than 1% of Gross Sales each month on advertising in your territory to promote your Center. (Paragraph 13.3 of the Franchise Agreement)

    We may establish, change, dissolve, or merge local or regional marketing and advertising cooperatives in geographical areas with two or more franchises. Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas or our advertising strategies, at our discretion. If we establish an advertising cooperative in an area, each AlignLife Center within the cooperative area must join and contribute to the cooperative each month. Your cooperative contribution will be credited toward your required Local Advertising expenditure, but not toward your Marketing Fee. If the amount you contribute to a cooperative is less than the amount you must spend for Local

Advertising, you must still spend the difference locally. Either the cooperative or we will determine the amount of your monthly contribution, subject to the limitations in the paragraph above. The members of each cooperative will be responsible for its administration, subject to our approval.

Each member of an advertising cooperative will have one vote per franchise. Each cooperative will operate from written governing documents and must prepare monthly financial statements, all of which will be available for its members' review and submitted to the corporate office. Each location owned by us in an area in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative (Paragraph 13.2 of Franchise Agreement).

13. **Advisory Councils.** We reserve the right to establish an advisory council composed of franchisees and our representatives. Franchisee participants will be chosen by us or may be elected by other franchisees in the System. If you participate on an advisory council, you must pay all expenses you incur related to your participation, such as travel and living expenses to attend council meetings. If established, the advisory council will act in an advisory capacity only and will not have decision-making authority. We have the right to establish, change, merge or dissolve any advisory council at any time. (Paragraph 13.5 of Franchise Agreement).

14. **Websites.** We will create all websites, webpages and social media pages using the Marks for the use of your Center. These sites and pages will remain our property at all times. You must comply with our System Standards and our Social Media policy located in the Operations Manual regarding the use of social media in your Center's operation, including prohibitions on you and your employees creating web pages or blogs representing the Center or the System, other than on a website and social media accounts established or authorized by us. We reserve the right to conduct collective/national campaigns via local social media on your behalf for increased brand recognition.

    If you are a conversion franchisee any online presence related to your existing business before the conversion, such as websites and social media business pages (including Facebook, Google+, LinkedIn, etc.) and any URLs, domain names, Internet listings and "followers" relating to the websites and social media pages shall become property of the Franchisor upon execution of the Franchise Agreement in order to help build your new brand and drive brand awareness. You shall sign any documentation we require to evidence the transfer of these items to Franchisor. Any previously owned assets that have ownership transferred to the Franchisor will be returned upon termination of the Franchise Agreement once all AlignLife branding has been removed. (Paragraph 19 of Franchise Agreement).

15. **Computer Systems and Technology.** We will provide a customized AlignLife template for your EMR system. You will use this software for customer management, billing and electronic medical records. You must comply with all applicable terms of service received upon initiating your EMR Software subscription, including terms concerning software use and licenses, confidentiality, liability, and fees and pricing. (Paragraph 15.3 of Franchise Agreement).

    You must purchase the computer hardware and software that we designate to operate your franchise. Our current minimum specifications for your computer system are included in the Manual. The cost will be $700 to $5,000, depending if you are a start-up or a conversion, how many staff you currently have and how many locations you want to have access to your electronic health records. You must obtain the hardware and 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). (Paragraph 19 of Franchise Agreement).

You are obligated to update and upgrade the computer system at minimum every 5 years or if the performance of the computer system is determined by the franchisor to be negatively impacting the operation of the center.

We will manage and provide to you Project Manager System, branded email addresses, Health Secrets TV, financial reporting software, and other technology tools that can benefit the growth of your clinic. If requested, you must pay us up to $250 per month for a technology fee which is the total for any technology services we purchase for your clinic.

AlignLife Systems reserves the right to cause Customer's Subscription Services to enter a state of read-only access when, as determined by the Sections 6 and 13 of the Franchise Agreement, any monies due to AlignLife Systems, dba ChiroHD Ventures under the Franchise Agreement are late, in arrears, or otherwise unpaid in accordance with the terms of Section 18 of this agreement. Unless and until all monies owed under the Franchise Agreement are paid to ChiroHD Ventures the Subscription Services may, at Ventures' discretion, remain in read-only status until the account is brought current and Ventures deems the Subscription Services to be reverted to full access. Failure to pay said monies in accordance with the Franchise Agreement, namely those fees found in Sections 6 and 13 of the Franchise Agreement, may result in Ventures limiting, restricting, or otherwise terminating Customer's access to the Subscription Services.

Upon termination of the Agreement, Customer shall immediately cease all use of, and all access to, the Subscription Services and Ventures shall immediately cease providing the Professional Services. Upon termination by either party, Ventures will remove Customer access to the Platform and Ventures will provide to the Customer patient data stored in the Platform to the Customer in accordance with HIPAA regulations governing the transfer of sensitive patient information.

Where Customer has failed to pay dues, Customer has access to data, but may not make additions, deletions, or any edits, changes, or augmentation to data in the Platform. Any platform which enters read-only status remains compliant with HIPAA guidelines for data storage of electronic health records and shall otherwise receive the same data storage methodology as if the Platform was in full access mode. When a Customer Platform enters read-only mode all functions, including reports, customer files, calendars, and similar day-to-day operational functions, with the exception of updates necessary to maintain the Platform, general maintenance, and other necessary improvements as are reasonably necessary to ensure the continued functionality of the Platform, shall cease to be available to the Customer. Any termination by either party shall result in Customer patient data stored in the Platform to be made available through read-only state in accordance with HIPAA regulations governing the transfer, access to, and modification of sensitive patient information. When Customer has satisfied outstanding balances due to Ventures, Ventures shall restore Customer to full access state.

We will have independent, full, unlimited access to the information in the EMR Software system that, includes any information pertaining to your gross revenues and all other information stored by the EMR Software. There are no limitations on our ability to access the information and data and you must make sure that we have electronic access to this data at all times. (Paragraph 18.2(g) of Franchise Agreement). As a result, a Business Associate Agreement has been executed between AlignLife Systems and ChiroHD to absolve you from any HIPAA liabilities on behalf of the franchisor.

Except for maintenance provided by VitaLogics for the required software it provides, neither we nor any affiliate will provide you with any updates, upgrades or maintenance for your computer system.

We may periodically modify the specifications for, and components of, the computer system that you must have. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain service and support for the computer. Additional cost may arise for integrated credit card processing, online appointment booking, supplement scanner, self check-in kiosk, etc. The Franchise Agreement does not limit the frequency or cost of these changes, improvements, upgrades or updates. We have no obligations to reimburse you for any computer costs. Within 60 days after you receive notice from us, you must obtain the components of the computer that we designate and ensure that your computer, as modified, is functioning properly. (Paragraph 9(i) of Franchise Agreement).

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-related maintenance and support services that we or our affiliates provide you. If our affiliates and we 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 our affiliates or we may require. (Paragraph 15.3 of Franchise Agreement).

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

We have no contractual obligation to maintain, repair, update or upgrade your computer and software. At your cost, you must provide on-going maintenance and repairs to your computer and software.

ITEMS NOT INCLUDED IN THE POST OPENING ASSISTANCE

Compliance. We do not provide training or consulting on healthcare compliance.

Billing. We do not provide training or consulting on billing procedures, including important regulations on billing from your state or any third party insurance company.

You will expend at least $6,000 every 4 years in remodeling, expansion, redecorating and/or refurnishing of the Premises and the Franchise, if deemed necessary by us (any changes to the decoration or furnishing of the Premises must be approved by us). 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 an AlignLife franchise 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 of the Franchise (any changes to the decoration or furnishing of the Premises must be approved by us); and (2) we have required the proposed change in at least 25% of all similarly situated Company and affiliate-owned AlignLife Locations, and have undertaken a plan to make the proposed change in the balance of such Company and affiliate-owned Locations.

Item 12

TERRITORY

FRANCHISE AGREEMENT

Under the Franchise Agreement, you have the right to establish and operate one (1) Alignlife Center within a territory that will be defined after the location of your Center is identified and approved by us (the "Territory").

The minimum Territory that will be granted will include a minimum population of 40,000 or a five mile radius around your Center, whichever is satisfied first.

You will be granted a protected territory. Your Territory will be determined based on area population and specific demographic research designed to maximize media exposure and patient access. Primary streets and highways or driving distance will delineate the boundaries of your Territory. The size of your Territory depends upon the demographics of your location (population density, median income, residential properties, major generators, etc.). We will provide you with a map of the Territory before you sign your Franchise Agreement. Your franchise location will be located at a site selected by you and approved by us within your Territory. If the location for your Center has not been determined when you sign the Franchise Agreement, then we may determine the size and boundaries of your Territory when the location of your Center has been approved by us.

We will not establish, or franchise another to establish a Center within your Territory so long as you are in full compliance with all of the terms of your Franchise Agreement and all of the methods, procedures, standards and specifications we require in the Operations Manual or otherwise in writing. If at any time you are not in full compliance with all of the terms of your Franchise Agreement and all of our methods, procedures, standards and specifications, we can establish or franchise another to establish a Center within your Territory. We may change your Territorial boundaries upon any renewal of your franchise agreement. There are no other circumstances that would permit us to modify your territorial rights.

You may not operate from more than one location or change the location of your Center without our prior approval. The criteria for approving a replacement location will be the same as the criteria then in effect for approving an initial location and must be within your previously granted territory.

We retain the right, in our sole discretion; to offer goods and services identified by brands we control through channels of distribution other than through Centers to locations and customers located anywhere, including those residing in your Territory. We also reserve the right to sell goods through mail order, catalog sales, telemarketing, Internet, television, newspaper, and any other advertising media to consumers located anywhere, including within your Territory. You will not be compensated in the event that we solicit or accept orders from inside your Territory. You are not restricted from engaging in any mail orders, solicitations, catalog sales, telemarketing, or television solicitation programs within your Territory. You may not engage in the use of the Internet to achieve sales and to distribute our goods and services identified by brands we control.

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

The sales volume you must achieve in the first year of operation is $100,000, in the second year of operation is $200,000, the third year of operation $300,000 and the fourth and subsequent years of operation $400,000. Failure to achieve this quota can result in the loss of your territorial exclusivity. This minimum quota is not, and should not be considered earnings claims for your Franchised Business.

Actual results may vary from franchise to franchise and we cannot predict the results of any particular franchise.

Neither we nor any parent or affiliate has established, or presently intends to establish, other franchised or company-owned Centers which sell our proprietary products or services under a different trade name or trademark, but we reserve the right to do so in the future, without first obtaining your consent.

Item 13

TRADEMARKS

You will be granted a non-exclusive, limited license to use the Marks in the operation of your Center. Your use of the Marks is governed by the Franchise Agreement and we reserve the right to approve the manner in which you use any portion of the Marks in connection with the operation of your Center. The Franchise Agreement will grant you the nonexclusive right to use the System and Marks solely at the site approved ("Approved Location") and designated in the Center Location Addendum (attached as Exhibit 2 to the Franchise Agreement).

Our CEO, Dr. Joseph Esposito, owns the rights to all Marks used in the System. Dr. Esposito has registered the following marks on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

Mark	Application Date	Registration Date	Registration No.
AlignLife (word mark)	5/21/2008	10/13/2009	3,695,966
AlignLife (word and design)	5/23/2008	7/21/2009	3,656,642

Dr. Joseph Esposito has filed all affidavits and intends to renew the Marks when required by the USPTO to maintain his rights to the Marks.

There are no currently effective agreements that significantly limit our rights to use or license the use of trademarks listed in this section in a manner material to the franchise, except for the perpetual, non-cancellable trademark license agreement between our CEO Dr. Joseph Esposito and us dated January 2, 2009. Other than this license, we know of no superior prior rights or infringing use that could materially affect your use of the Mark, and we know of no agreements currently in effect which significantly limit our rights to use or license the use of the Mark in any manner material to the franchise.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition, or cancellation proceeding or any pending material litigation involving the Marks that is relevant to their use in any state. We know of no infringing use that could materially affect a franchisee's use of any Mark in any state.

You must notify us of any infringement or challenge to the use of the Marks that you discover, and we have the right to take whatever action we deem appropriate.

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. Our affiliates and we will take any affirmative action, as we deem appropriate in, and the exclusive right to control any litigation or USPTO 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 USPTO or other proceeding related to any Mark, or otherwise protect and maintain our interests in the Marks.

We will protect your right to use the Marks listed in this section. We will indemnify you against claims of infringement or unfair competition, 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, and have 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.

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. We will bear the costs associated with the modification/discontinuance of the mark.

Item 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

We do not claim right in patents, pending patents or copyrights that are material to our business, but we do claim proprietary rights and common law copyrights to the confidential information contained in our Manuals. The Manuals are described in Item 11 and are loaned to you during the term of your Franchise Agreement. We may provide the Operations Manuals in hard copy format or electronically via a password protected website. We claim common law copyrights on our operational materials and on other proprietary materials specifically created by us which is associated with our System, including the proprietary advertisements, all of our materials presented to your prospective patients, printed materials, and forms associated with the operation of a Franchised Business. The Manuals and other proprietary materials have not been registered with any copyright office. Item 11 describes limitations of the use of the Manuals by you and your employees. You must also promptly tell us when you learn about unauthorized use of this proprietary information. We are not obligated to take any action but will respond to your notification of unauthorized use as we deem appropriate. We will not indemnify you for losses brought by a third party concerning your use of this proprietary information.

You must treat the Manuals and any other manuals we create or approve for use in your operation of the Center, and the information contained in them, as confidential. You must also use all reasonable efforts to maintain this information as secret and confidential and you must not duplicate, copy, record or otherwise reproduce these materials, in whole or in part, or make them available to any unauthorized person. The Manuals remain our sole property and must be kept in a secure place on the premises of the Center.

We may revise the contents of the Manuals and you must comply with each new or changed standard. You must also make sure that the Manuals are kept current at all times. If there is a dispute regarding the contents of the Manuals, the terms of the master copy maintained by us at our home office will be controlling.

We claim proprietary rights in certain of our methods of operation and procedures which are included in the Manuals and which are our trade secrets. You and each of your owners are prohibited, during and after the term of your Agreement, from communicating, or using for the benefit of any other person or entity, and, after the term of your Agreement, from using for your or their own benefit, any confidential information, knowledge or know-how concerning the methods of operation of the Center that may be communicated to you or any of your owners or that you may learn about, including these trade secrets. You and each of your owners may divulge this confidential information only to your employees who must have

access to it to operate the Center. Neither you nor your owners are permitted at any time, without first obtaining our written consent, to copy, record or otherwise reproduce the materials or information nor make them available to any unauthorized person. Any and all information, knowledge, know-how and techniques related to the System that we communicate to you are considered confidential. The term "confidential information" includes System standards, market research, advertising and promotional campaigns, approved suppliers, operating results of Centers, proprietary software, the terms of your Agreement with us, the Manuals, graphic designs and other intellectual property, and your client list.

You must have your manager and all of your employees sign confidentiality covenants similar to the ones described above. (See Item 17.) Your owners also must sign these covenants.

If you, your owners, manager or employees develop any new concept, process or improvement in the operation or promotion of the Center, you must promptly notify us and give us all necessary information, free of charge. You, your owners, manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

Item 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You must participate personally in the direct operation of the Center. If you are an individual, your Center must be under the direct, on-premises supervision of you or your designated principal who you select and we approve. The on-premises principal must have successfully completed our Initial Corporate Training Program.

If you are a corporation, limited liability company, or partnership, your owners must personally guarantee your obligations under the Franchise Agreement and agree to be bound personally by every contractual provision, whether containing monetary or non-monetary obligations, including the covenant not to compete. This "Guaranty and Assumption of Obligations" is part of the Franchise Agreement. If we do not require one of your owners to sign the full Guaranty, that owner still must comply with all non-monetary obligations, including the covenant not to compete, as if he or she were the franchise owner. If your spouse is not a party to the Franchise Agreement, your spouse is not required to sign the Guaranty and Assumption of Obligations.

The manager and your employees must maintain trade secrets, and none of your owners, directors, officers or managers may compete with or own an interest in any of our competitors anywhere during the term of the Franchise Agreement. We may regulate the form of confidentiality and non-competition agreement that you use and be a third party beneficiary of that agreement with independent enforcement rights. All applicable employees must be properly licensed, as required by applicable law.

Item 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell only those products and services we have approved for your type of franchise.

You must also offer all goods and services that we designate as required for all franchisees. 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 rights to do this. We have the right to change the types of authorized goods and services to be offered by you and there are no limits on our right to make these changes.

We do not impose any other restrictions in the Franchise Agreement or otherwise, as to the goods or services that you may offer or sell or as to the clients to whom you may offer or sell, except as described in Item 12.

Item 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

As used in the table below, the abbreviation F.A. means the Franchise Agreement.

Provisions	Section in franchise agreement or other agreement	Summary
a. Length of the franchise term	Paragraph 2.2, F.A.	10-year term.
b. Renewal or extension of the term	Paragraph 3, F.A.	If you are in good standing, upon expiration of your original franchise agreement, you will have the right to enter into a successor agreement for another 10-year term by signing the then current franchise agreement. This means that you may be asked to sign an agreement with terms and conditions that are materially different from those in your original agreement.

Provisions	Section in franchise agreement or other agreement	Summary
c. Requirement for franchisee to renew or extend	Paragraph 3, F.A.	You must provide us with notice that you wish to sign a successor agreement, be in compliance with the terms of your Franchise Agreement and be current in all payments required by the Franchise Agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract. At the time of signing the successor agreement, the royalty will convert to $576.92 per week which will include all services except monthly coaching. We have the right, on signing a successor agreement, to reevaluate the size and boundaries of your Territory.
d. Termination by franchisee	Not Applicable	You may seek to terminate your agreement under any grounds available to you by law.
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement will terminate upon your death or permanent disability and the Franchised Business must be transferred within six months to a replacement franchisee that we approve.
f. Termination by franchisor with cause	Paragraph 18.1, F.A.	We may terminate your agreement if you breach it and the breach is not cured (if curable).
g. "Cause" defined – curable defaults	Paragraph 18.1, F.A.	You have 30 days to cure: failure to comply with any material provisions of the franchise agreement or any specification, standard or operating procedure. You have 15 days to cure: a breach of any other agreements between you and us or any of our affiliates.

Provisions	Section in franchise agreement or other agreement	Summary
h. "Cause" defined – non-curable defaults	Paragraph 18.1, F.A.	Failure to maintain chiropractic licensing requirements, failure to comply with any obligations in the Franchise Agreement; your abandonment of a Center; your filing or preparing to file for bankruptcy or insolvency; intentional impairment of our goodwill, reputation or marks; intentional under-reporting of Gross Sales, conviction of a felony or a crime, use of unapproved advertising materials.
i. Franchisee's obligations on termination/ nonrenewal	Paragraph 18.2/20, F.A.	Stop holding yourself out as affiliated with us; return Manuals and other confidential information; non-compete for 2 year within 15 miles of Center using AlignLife methods: for one year following the termination or expiration of the term of this Agreement, neither you nor your owners will directly or indirectly solicit or employ any person who is employed by us, nor will you or your Owners induce or attempt to induce any of these people to leave their employment without our prior written consent and the consent of their employers.
j. Assignment of contract by franchisor	Paragraph 21.1, F.A.	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Paragraph 21.2, F.A.	Includes transfer of contract or assets or ownership change.
l. Franchisor approval of transfer by franchisee	Paragraph 21.2, 21.3, F.A.	No consent required for assignment to a related party as defined in Agreement. All other types of transfers are subject to our prior written approval.

Provisions	Section in franchise agreement or other agreement	Summary
m. Conditions for franchisor approval of transfer	Paragraph 21.2, 21.3, F.A.	New franchisee qualifies, transfer fee is paid, purchaser transfer is approved, new franchisee must complete all required training, current agreement is signed by new franchisee; you sign general release (subject to state law).
n. Franchisor's right of first refusal to acquire franchisee's business	Paragraph 21.8, F.A.	We may match any bona fide offer for the acquisition of your business.
o. Franchisor's option to purchase franchisee's business	Not Applicable	
p. Death or disability of franchisee	Paragraphs 21.5/21.6/21.7, F.A.	We operate, at our option, until disposition of the Center by your Estate, your interest must be transferred within six (6) months of your death, permanent disability or mental incapacity.
q. Non-competition covenants during the term of the franchise	Paragraph 20.1, F.A.	No involvement in competing business.
r. Non-competition covenants after the franchise is terminated or expires	Paragraph 20.2, F.A.	No competing business using AlignLife methods for 1 year or within 20 miles of location.
s. Modification of agreement	Paragraph 22.5, F.A.	Modifications only upon written agreement of the parties.
t. Integration/merger clause	Paragraph 22.5, F.A.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations mad in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Paragraph 22.6, F.A.	We can refer any dispute to arbitration which must take place in Peoria, IL (subject to state law).

Provisions	Section in franchise agreement or other agreement	Summary
v. Choice of forum	Paragraph 22.6, F.A.	Litigation must be in Peoria, IL (subject to state law).
w. Choice of law	Paragraph 22.6, F.A.	IL law applies (subject to state law).

Item 18

PUBLIC FIGURES

We do not use any public figure to promote the franchise.

Item 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not 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 Dr. Joseph Esposito at 4812 N Sheridan Road, Suite A700, Peoria, IL 61614 and 877-254-4654, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For years 2019, 2020, 2021

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	20	20	0
	2020	20	26	+6
	2021	26	33	+7

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company Owned[1]	2019	0	0	0
	2020	0	2	+2
	2021	2	3	+1
Total Outlets	2019	20	20	0
	2020	20	28	+2
	2021	28	36	+8

Affiliate owned outlets are included in the number of company owned outlets

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For years 2019, 2020, 2021

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

Table No. 3
Status of Franchised Outlets
For years 2019, 2020, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisee	Ceased Operations –Other Reasons	Outlets at End of Year
FL	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	3	0	0	0	0	4
GA	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	1**	0	1
	2021	1	1	0	0	0	0	2
IL	2019	3	0	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	1	0	0	2
IN	2019	2	0	0	0	0	0	2
	2020	2	1	0	0	0	0	3
	2021	3	0	0	0	0	0	3
MI	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisee	Ceased Operations –Other Reasons	Outlets at End of Year
	2021	1	0	0	0	0	0	1
NC	2019	0	0	0	0	0	0	0
	2020	0	2	0	0	0	0	2
	2021	2	3	0	0	0	0	5
NV	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
PA	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
PR	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
SC	2019	11	0	0	0	0	1	10
	2020	10	0	0	0	0	0	10
	2021	10	1	1	0	0	0	10
TN	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
WI	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	0
Total	2019	20	0	0	0	0	0	20
	2020	20	6	0	0	0	0	26
	2021	26	7	1	1	0	0	33

*** Relocated from KY to PR in 2018**
****Relocated from IL to GA in 2020**

Table No. 4
Status of Company-Owned Outlets
For years 2019, 2020, 2021

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisors	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
SC	2019	0	0	0	0	0	0
	2020	0	1	1	0	0	2
	2021	2	1	1	0	0	2
NC	2019	0	0	0	0	0	0
	2020	0	0	0	0	0	0
	2021	0	1	0	0	0	1
Totals	2019	0	0	0	0	0	0
	2020	0	1	1	0	0	2
	2021	2	1	0	0	0	3

Table No. 5
Projected Openings As Of
December 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlets In the Next Fiscal Year
IN	0	0	0
GA	1	2	0
SC	0	2	2
NC	0	4	1
FL	0	1	0
PR	1	1	0
NV	0	0	0
NY	1	1	0
TN	0	1	0
TX	0	3	0
Total	3	15	3

A list of the names of all franchisees and developers and the addresses and telephone numbers of their businesses will be provided in Exhibit D to this Disclosure Document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee or developer who had a business terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement. during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit E to this Disclosure Document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the AlignLife System.

There are no trademark-specific organizations formed by our franchisees that are associated with the AlignLife System.

Item 21

FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C are our audited financial statements as of December 31, 2019, December 31, 2020 and December 31, 2021 as well as our unaudited balance sheet and profit and loss statements through September 2022.

Our fiscal year ends December 31st.

Item 22

CONTRACTS

Our Franchise Agreement is attached to this Disclosure Document as Exhibit B.

Item 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of the Disclosure Document. Please return one signed copy to us and retain the other for your records.

Exhibit A to the Disclosure Document

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for franchising disclosure/registration laws and for service of process. We may not yet be registered to sell franchises in any or all of these states.

If a state is not listed, AlignLife Systems, LLC has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which AlignLife Systems, LLC has appointed an agent for service of process.

There may also be additional agents appointed in some of the states listed.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
CONNECTICUT	State of Connecticut Department of Banking Securities & Business Investments Division 260 Constitution Plaza Hartford, CT 06103-1800 (860) 240-8230	Banking Commissioner
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360

State	State Agency	Agent for Service of Process
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce
NEW YORK	NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, NY 10005 (212) 416-8222 Phone	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
OREGON	Department of Consumer and Business Services Division of Finance and Corporate Labor and Industries Building Salem, Oregon 97310 (503) 378-4387	Director of the Department of Consumer and Business Services
RHODE ISLAND	Department of Business Regulation Division of Securities 1511 Pontiac Avenue, Building 69-1 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

Exhibit B to the Disclosure Document

FORM OF FRANCHISE AGREEMENT

ALIGNLIFE SYSTEMS, LLC

Franchise Agreement

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4 - Conversion Addendum
5 - Promissory Note with Personal Guaranty
6 - Lease Rider
7 - Internet Advertising, Social Media and Telephone Account Agreement
8 -Franchisee Acknowledgement Statement

ALIGNLIFE SYSTEMS, LLC
FRANCHISE AGREEMENT

This Franchise Agreement ("Agreement") is dated, made and entered into this day of _____, (the "Effective Date") by and between AlignLife Systems, LLC, an Illinois limited liability company with its principal place of business at 4812 N Sheridan Road, Suite A700, Peoria, IL 61614 ("we", "AlignLife", "Franchisor" or "us"), and _____, an individual, residing at _____ ("you" or "Franchisee"). If you are a corporation or partnership, or if this Agreement is transferred to a corporation or partnership, the term "Owner(s)" in this Agreement refers to all of the shareholders of such corporation or partners of such partnership. Unless otherwise approved by AlignLife, the term "Controlling Shareholder or Partner" refers to the person or legal entity designated by us as the controlling shareholder if you are a corporation, or controlling partner if you are a partnership.

1. INTRODUCTION

AlignLife has developed a system for chiropractic offices and wellness centers pursuant to intellectual property developed by and for us. These clinics are known as "AlignLife Centers" and offer for sale to the public hands on chiropractic care including either in office or at home rehabilitation, functional nutrition services including consultations, lab testing and supplement recommendations and weight loss either in office or virtually. In addition, clinics are approved to provide the following ancillary services: massage therapy, decompression, cold laser, acupuncture and additional lab testing. Additional products approved for sale can be found in the Operations Manual (the "AlignLife System"). All approved ancillary services must be included in gross collections of the Center. AlignLife also uses, promotes and licenses certain proprietary trademarks, service marks and commercial symbols in connection with the operation of the AlignLife Centers including the mark "AlignLife" (the "Marks"). A listing of the Marks relevant to the operation of your Center is available upon your request.

You have applied to AlignLife for a franchise to operate an AlignLife Center utilizing the AlignLife System and the Marks at the location identified in this Agreement. Your application has been approved by AlignLife in reliance upon all of the representations made in your application including those concerning your financial resources, your professional status, including licensure, and the manner in which the franchise will be owned and operated.

You acknowledge that you have read this Agreement and been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain AlignLife's high standards of quality and service and the uniformity of those standards at all AlignLife Centers and thereby to protect and preserve the goodwill of the Marks.

2. GRANT AND TERM OF FRANCHISE

2.1 Grant.

Subject to the terms of this Agreement, AlignLife grants to you a franchise (the "Franchise") to operate an AlignLife Center (the "Center") under the AlignLife System and a license to use the Marks in the operation of the Center located at the premises identified on Attachment 2, attached hereto and forming a part hereof.

2.2 Term of Franchise.

The term of this Agreement shall be for a period of ten (10) years, beginning on the effective date of this Agreement as defined in Section 22.12.

3. RENEWAL OF FRANCHISE

3.1 Successor Agreement Options.

You may, at your option, you may enter into a Successor Franchise Agreement for one (1) additional ten (10) year term at the end of the initial term, provided at the time of entering into successor term you are not in default of any material provision of this Agreement or any other agreement with us or our subsidiaries or affiliates or any other creditor or supplier of the Center. At the time of entering into a successor term the royalty will convert to $576.92 per week which will include all service except monthly coaching. You understand and acknowledge that we have the right to review the territory granted to you and to make adjustments to the boundaries of such territory upon renewal of this Agreement.

3.2 Manner of Successor Agreement.

In connection with a signing a Successor Franchise Agreement, you must execute our then-current form of franchise agreement and all other agreements customarily used by us in the grant of franchises. The successor agreement will be subject to your obtaining all required governmental approvals. You understand that the renewal franchise agreement may provide for higher expenditures for advertising and promotion than are provided for in this Agreement and may contain other terms materially different from the terms of this Agreement, however, such fees, expenditures and terms will be the same as are generally used by us on a system-wide basis at that time. You will not be charged a fee for entering into a successor agreement.

3.3 Notification of Expiration.

Provided you qualify for a successor term, we will send all agreements relating to signing the Successor Franchise Agreement for your review and execution approximately six (6) months prior to the expiration of this Agreement along with a notification of the expiration of this Agreement. Your failure to return these to us, executed by you, within thirty (30) days of receipt will be deemed an election by you not to enter into a Successor Term Agreement. Our notice will also state what actions, if any, you must take to correct the deficiencies in your operation of the Center and will specify the time period in which these deficiencies must be corrected, and/or any requirement for you to update, upgrade or refurbish your Center. Entering into a Successor Franchise Agreement will be conditioned on your continued compliance with all the terms and conditions of this Agreement and all other agreements with us and our affiliates and subsidiaries and all other creditors and suppliers of the Center up to the date of expiration.

4. LOCATION OF PRACTICE

4.1 Defined.

The Center will be operated from the premises in the location set forth in Attachment 2, hereto.

4.2 Territory.

You will receive an exclusive territory with a minimum population of forty thousand (40,000) people, or a (5) five mile radius around your Center, whichever is satisfied first. Primary streets and highways or driving distance will delineate your protected territory. The protected area depends upon the demographics of your location (population density, median income, residential properties, major generators, etc.) Your franchise location will be located at a site selected by you and approved by us

within your protected territory. If the location for your Center has not been determined as of the date of this Agreement, you and we will complete and execute Attachment 2 as necessary when the location is approved and your territory is determined. Continuation of your exclusive territory depends on your achieving a certain sales volume, market penetration, or other contingency, or we may terminate your Franchise agreement. The sales volume you must achieve in the first year of operation is $100,000, in the second year of operation is $200,000, the third year of operation $300,000 and the fourth year of operation $400,000. There is no minimum required sales volume for the fifth year and later. Failure to achieve this quota can result in the loss of your territorial exclusivity, the loss of onsite management control as stated in section 11.2 or termination of the agreement.

5. INITIAL PAYMENTS

5.1 Franchise Fee.

The standard initial Franchise Fee for a single AlignLife Center is Forty-Nine Thousand Dollars ($49,000).

You will pay a Franchise Fee of Thirty-Nine Thousand Dollars ($39,000) for a conversion franchise, with a practice that you own, and you meet the following criteria, in addition to other criteria we require for new franchisees. The criteria you must meet to purchase a conversion franchise includes, without limitation:

(1) Your practice is similar to the model of an AlignLife Center,

(2) You have owned/operated your practice for at least twenty-four (24) months; and

(3) Within the twelve (12) months preceding your execution of this Agreement, your practice has collected a minimum of One Hundred Eighty Thousand Dollars ($180,000).

Franchise Fees are payable in a lump sum, and are deemed fully earned upon receipt and are nonrefundable. If you meet our criteria, including a minimum credit score, and/or a cosigner, we may offer to finance up to fifty percent (50%) of the initial Franchise Fee. If you are offered and accept this financing, you must sign our form of promissory note and personal guaranty (attached hereto as Attachment 5).

5.2 Non-Refundability of Fees.

The fees payable under this Section 5 are fully earned and are not refundable under any circumstances except in the case if we choose to terminate your Franchise Agreement prior to the completion of your training, so long as such termination was not a result of your breach of the Franchise Agreement, then we may, but are not required to, refund up to 50% of the Initial Franchise Fee paid to us, after deducting any amount you owe to us, including reimbursement for our costs and expenses, and for the reasonable cost associated with your training expenses incurred through the termination date.

6. ROYALTY FEE AND OTHER CHARGES

6.1 Amount and Payment.

During the term of the Franchise, you agree to pay us a royalty fee equal to seven percent (7%) (plus applicable taxes) of the weekly Gross Sales of the Center with a minimum of $175 a week. For conversion clinics that have collected a minimum of Five Hundred Thousand Dollars ($500,000) within the twelve (12) months preceding your execution of this Agreement, your practice, the Royalty Fees will

be a flat rate of $576.92 a week. This fee will be collected by AlignLife via electronic funds transfer pursuant to Section 15.4 hereof, on the day of the week we specify based on the Franchise's Gross Sales for the preceding week ending on Sunday. For a conversion franchise, collection of these fees will be waived for the first ninety (90) days after signing the Franchise Agreement. Any and all governmental and/or administrative approvals which may be required to permit the payment of the foregoing fees to AlignLife shall be obtained by Franchisee at its sole expense. The Royalty Fee does not represent payment for the referral of patients to you, and you acknowledge and agree that the services we offer to you does not include the referral of patients.

In the event the royalty fee payments contemplated hereunder are, during the term of this Agreement, declared by a court or arbitrator to be illegal, unenforceable or not permissible in the state in which the franchise is located, then franchisee agrees to pay royalty fees to AlignLife on a monthly basis pursuant to the following flat fee schedule:

* In some states, where this structure is not permissible, the Royalty will automatically converted to the below payment arrangement.:

ROYALTY	Weekly Cost	Weekly Cost with MetaLife Weight Loss System
Year 1	$298	$362
Year 2-4	$460	$524
Years 5-7	$613	$677
Years 8 - 10	$815	$879

6.2 Definition of Gross Sales.

The term "Gross Sales" means the total amount of collections from all sales at or from the Center, excluding patient refunds or valid discounts. All sums collected for services rendered and products sold at the Center, and all online sales associated with the center, must be included in computing Gross Sales.

6.3 Late Fees, Non-Compliance Fees; Interest on Late Payments.

All royalty fees, advertising contributions and all other amounts owed to us pursuant to this Agreement and which are not paid within thirty (30) days after their original due date will be subject to a late fee of Thirty Dollars ($30) a day and will bear interest at a rate which is two percent (2%) above the prime rate published in the Wall Street Journal for United States Dollars for the date on which payment was due, or if that date is not a business day, for the next business day. Any non-compliance with marketing materials or events, use of unapproved products or suppliers, or late reporting of any reports due as outlined in the Operations Manual shall be assessed at Thirty Dollars ($30) per day. Interest on any overdue amount will accrue from its original due date until payment is received in full. Entitlement to such interest and fee shall be in addition to any other remedies we may have.

We have the right to terminate this Agreement for failure to make payments to us when due.

6.4 Application of Payments.

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 royalties, advertising contributions, purchases, interest, or for any other reason, regardless of how you may designate a particular payment to be applied.

6.5 Payment of Taxes.

You must pay to the local tax authorities, on our behalf, any withholding payments required by law and provide us with an official receipt for payment of these withholding taxes. You may deduct the amount of any of these withholding taxes from the royalty payments to us. If you fail to pay these withholding taxes, you will indemnify us for the full amount of such taxes, including any losses occasioned by your failure to withhold any taxes imposed by any local jurisdiction on amounts payable by you pursuant to Sections 5 and 6, and for any liability (including penalties, interest, and expenses) arising from or concerning the payment of such taxes, whether such withholding taxes were correctly or legally asserted or not. All taxes imposed, such as turnover taxes, value-added taxes, or sales taxes, which may be imposed now or in the future, will be your responsibility and will not affect your obligations to make payments as required under this Agreement.

7. CENTER LOCATION

7.1 Lease.

Concurrently with the execution of this Agreement, you will execute a sublease or lease agreement with a lessor pursuant to which you will sublease or lease the premises of the Center at the location specified in Section 2.1. You will not execute a lease or sublease with a third party lessor for the Center which has not been approved by us or which does not contain the terms we require in all such leases. No lease or sublease for the Center premises shall be accepted by us unless a Lease Rider, prepared by us and executed by us, you and the lessor or sublessor, in substantially the form attached as Attachment 6, is attached to the lease and incorporated therein.

7.2 Required Lease Provisions.

The lease for the premises of the Center shall contain provisions to the effect that: (i) the lease is entered into by and between you and the lessor upon the express understanding that you are a licensed Franchisee and that the premises are to be used during the term of the lease solely as an AlignLife Center and for no other purpose; (ii) AlignLife, as Franchisor, is a third-party beneficiary of the lease agreement and is entitled to enforce on its own behalf the rights given to it in the agreement; (iii) upon termination of this Franchise for cause, AlignLife shall have the right, but shall not be obligated, to assume your status and replace you as lessee, and you, upon exercise of that right by us, shall be fully released and discharged from all liability for future rent and other lease charges (except for liability for unpaid rent or other lease charges for the period of your occupancy or any other then existing liability to the lessor under such lease); (iv) the lessor shall send us a copy of all notices of default which it sends to you; and (v) upon termination of the lease or of this Agreement, the lessee shall remove all identifying signs and trademarks from the premises and if the lessee fails to do so within five (5) calendar days of its last day of active business or of the termination of the lease, whichever is sooner, Franchisor may remove such signs or marks itself. AlignLife shall further have the right to assign the lease to another franchisee upon thirty (30) days' notice to the lessor. You and the lessor shall complete any required documents and/or formalities to achieve this result.

7.3 Location and Use.

You may operate the Center only at the location specified in Section 2.1, and you may not relocate the Center except with our prior written consent. The Center may only be used for the operation of an AlignLife Center, and other related activities approved by us in writing. You shall not allow the premises of the Center to be used for any immoral or illegal purpose. You are not permitted to establish additional Centers, offices or locations within the territory assigned to you.

7.4 Relocation.

If your lease expires or terminates without your fault, or if the site is condemned, destroyed or rendered unusable, we will grant permission for relocation of the Center to a new location to be approved or determined by us, for which you will execute a lease or sublease with us, our local subsidiary, or with a third party lessor, as we shall determine. Any relocation will be at your sole expense. In the event of relocation of the Center, you will pay us our reasonable expenses incurred in connection with any such relocation. We will not, however, charge you more than the sum of Nine Hundred Dollars ($900.00) for the administrative expenses incurred by us in connection with such relocation.

7.5 Termination or Assumption of Lease.

Upon the termination of this Agreement for cause, we shall have the right to assume your status and replace you as a lessee or sublessee. Upon exercise of that right by us, you will be fully released and discharged from all liability for rent and all other future liability under the lease (although not from any liability for unpaid rent or any other, then existing, liability to the lessor under the lease). If we exercise our right to assume your lease, we will indemnify you and hold you harmless against any claim made for future rent or other future liability under the lease or sublease.

8. CENTER DEVELOPMENT

8.1 Initial Development and Construction.

You agree that promptly after obtaining possession of the site for the Center you will:

(a) cause to be prepared and submit for approval by us a site plan and any modifications to our basic architectural plans and specifications for the Center, including requirements for dimensions, exterior design, materials, interior layout, equipment, fixtures, furniture, signs, and decorating. You understand that you may modify our basic plans and specifications only to the extent required to comply with applicable ordinances, building codes, and permit requirements and only with our prior written approval and you understand that you will use our approved and required vendors for above services;

(b) obtain all required zoning changes; all required building, driveway, utility, health, sanitation, and sign permits and any other required permits;

(c) purchase or lease equipment, fixtures, furniture and signs meeting our specifications and requirements, as laid out in the Operations Manual;

(d) complete the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the Center in full and strict compliance with plans and specifications approved by us and all applicable ordinances, building codes and permit requirements; and

(e) if applicable, obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services provided for the Center.

8.2 Center Opening.

You agree to develop the Center and have the Center ready to open within a reasonable time after obtaining possession of the site for the Center. If you do not open the Center and have it operating within twelve months from the effective date of this Agreement, we will have the option to terminate this Agreement upon written notice to you. In order to open your Center, you have to receive a "Certificate of

Launch" from the AlignLife Corporate Office which is provided after a complete audit of the Center is completed to ensure the Center meets all compliance standards.

9. CENTER REFURBISHING

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, **as laid out in the Operations Manual**; and the Premises in accordance with our standards and consistent with the image of an AlignLife 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 approval from the required AlignLife design firm. 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) you will expend at least Six Thousand and No/100 Dollars ($6,000.00) every four (4) years in remodeling, expansion, redecorating and/or refurnishing of the Premises and the Franchise, if deemed necessary by us (any changes to the decoration or furnishing of the Premises must be approved by us);

(f) 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 an AlignLife franchise that we prescribe and require of new franchisees, provided that (1) no material changes will be required unless there are at least two (2) years remaining on the Initial Term of the Franchise (any changes to the decoration or furnishing of the Premises must be approved by us); and (2) we have required the proposed change in at least twenty-five percent (25%) of all similarly situated Company and affiliate-owned AlignLife Locations, and have undertaken a plan to make the proposed change in the balance of such Company and affiliate-owned Locations (any expenditures incurred pursuant to this Paragraph 10.1(f) shall apply to the requirement in Paragraph 10.1(e));

(g) 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

(h) 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 (ten) 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. TRAINING

10.1 Initial Corporate Training.

You (or the Controlling Shareholder or Partner if you are a corporation or partnership and, if so, the Controlling Shareholder or Partner may substitute a designated individual) and all managers must enroll and complete all training programs and classes, which we require for the operation of an AlignLife Center. These training programs and classes will be furnished in the English language, at such times and places as we designate. All training programs and classes must be completed to our satisfaction. You will be responsible for the travel, living expenses, and compensation of you and/or your employees incurred during these training programs and classes, and for the expenses of an interpreter, if necessary. The cost of the initial training camps are covered with payment of a full franchise fee for the twelve (12) months following the signing of this Franchise Agreement. You are required to complete 1 (one) Attraction/Team Building Training Camp and 1 (one) Conversion/Retention Training Camp within nine (9) months of signing the Franchise Agreement.

You are also encouraged to attend Immersion Seminars provided by The Remarkable Practice. You will be responsible for the travel, living expenses, and compensation of you and/or your employees incurred during these training programs and classes, and for the expenses of an interpreter, if necessary. The cost of the Immersion Seminars are covered with payment of a full franchise fee for the twenty-four (24) months following the signing of this Franchise Agreement.

10.2 Training of Employees.

All employees must complete all courses including in the online Operations Manual within 90 days of the start of employment. In addition, it is highly recommended that you have all your employees attend the Initial Corporate Training Camps. It is also expected that all team members attend the weekly Team Training webinars. Regardless of their attendance, you agree to implement a training program for employees of the Center in accordance with training standards and procedures prescribed by us from time to time. You agree to utilize all training aids that we may require from time to time (e.g., audio, video or printed materials). The cost of training aids is included in initial training. You agree not to employ any person who is required by us to complete a training program but who fails or refuses to do so.

10.3 Additional Training.

We may also, at our option, require you (or the Controlling Shareholder or Partner if you are a corporation or partnership and, if so, the Controlling Shareholder or Partner may substitute a designated individual) to attend supplemental or additional training programs, which may be offered from time to time by us during the term of the Franchise. You will be responsible for the reasonable costs of such programs and for the travel and living expenses and compensation of you and/or your employees incurred during these programs.

11. OPERATING ASSISTANCE

11.1 Advice and Guidance.

We will furnish you with such reasonable operating assistance as we determine from time to time to be necessary for the operation of the Center. Operating assistance will include advice and guidance regarding:

(a) The attraction of new clientele using operational protocols, brand promotion, internal marketing, external marketing and digital marketing

(b) The conversion of leads generated into paying patients that accept a plan of care.

(c) The retention of clientele to assist in the stabilization of the business.

(d) The building of an effective team with regards to hiring and firing, onboarding, training, equipping and retaining employees.

(e) The finance, administration and business components of running a successful center.

(f) The science of duplicating business efforts by hiring more doctors or opening additional clinics.

You understand that the assistance provided to you under this Section 11 does not obligate us to operate the Center on your behalf at any time during the term of the Franchise. You further understand and acknowledge that you are responsible for hiring your employees and ensuring that they are trained according to our requirements. You are solely responsible for all wages, benefits, employment taxes and related items for your employees and that such employee shall not, in any manner, be deemed our employees. You understand that while we provide marketing assets, training and guidance you are solely responsible for the generation of your own patient leads.

11.2 Operating Problems.

We will advise you from time to time of operating problems of the Center disclosed by reports submitted to or inspections made by us. If the minimum revenue markers are not obtained referencing the chart below (also noted in Section 4.2), (i.) franchisee will be required to attend all Training Camps offered until minimum revenue markers are obtained, (ii.) we will have the right to take over onsite management of the Center for up to twenty percent (20%) of the weekly Gross Sales of the Center with a minimum of $1000 a week (in addition to the royalty fee and marketing contributions payable under this agreement), (iii.) if the Center does not reach the minimum revenue markers after six months of corporate onsite management or the Center drops more than 10% below any minimum revenue marker after corporate management ended then we will have the exclusive right to purchase the Center for a purchase price of one time (1x) the annual net profit of the Center.

Minimum Revenue Markers
Year 1: $100,000
Year 2: $200,000
Year 3: $300,000
Years 4 and after: $400,000

12. CENTER PRODUCTS AND SERVICE

12.1 Center Products and Services.

You agree that (a) the Franchise will offer for sale all services and products that we from time to time specify for Locations, (b) the Franchise will offer and sell approved services and products only in the manner we have prescribed; (c) 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; (d) all products will be offered at retail prices, and you will not offer or sell any products at wholesale prices; (e) you will not use the Premises for any purpose other than the operation of the Franchise; and (f) 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. In the event that you use, sell or distribute unauthorized products or services, and do not cease the use, sale, or distribution of unauthorized services or products within ten (10) days after written notice is given to you, we reserve the right to terminate this Agreement and/or charge you a fee of Two Hundred and No/100 Dollars ($200.00) for each day that you fail to comply with our demand to cease the use, sale or distribution of unauthorized products or services, which is a reasonable estimate of the damages we would incur from your continued use, sale or distribution of unauthorized products or services, and not a penalty. 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 salability 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.

12.2 Supplies, Equipment and Materials.

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, AlignLife Location franchises, that meet our standards and requirements, including without limitation standards and requirements relating to product quality, prices, consistency, reliability, and customer relations. You agree that you will: (1) purchase any required products or services as indicated in our Operations Manual in such quantities as we designate; (2) utilize such formats, formulae, and packaging for products or services as we prescribe; and (3) purchase all designated products and services only from distributors and other suppliers we have approved. In the event we designate a required supplier or distributor during the term of this Agreement, or any subsequent franchise agreement, you must begin to use such required supplier or distributor with thirty (30) days of the date we notify you that you must use such supplier or distributor, unless we designate a longer period for you to switch or convert over to such supplier or distributor. Your failure or refusal to do so shall constitute a breach of this Agreement.

We may approve a single distributor or other supplier (collectively "Supplier") for any product, and may approve a supplier only as to certain products. We may concentrate purchases with one or more suppliers to obtain lower prices or the best advertising support. 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 wish 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. We reserve the right to direct that any supplier rebates, refunds, advertising allowances or other consideration payable or paid as a result of your purchases of non-proprietary goods, services or equipment be paid to us or any affiliate that we may designate. If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

You must purchase from our affiliate, Aceva, the Essential Track which includes your initial supply of the required nutritional products and associated training and marketing tools. We estimate that the initial cost for the track to be $1,500. In addition, Franchisees are required to sell a minimum of $3,000 of nutritional products measured quarterly after the first twelve months the franchise is in operation. If you do not meet the quarterly sales requirement, you will be assessed a financial penalty of $250 each quarter that you do not meet the goal. We reserve the right to change this sales requirement at any time, and the change will be documented in the Operations Manual.

13. ADVERTISING AND PROMOTION

13.1 By AlignLife.

We will from time to time formulate, develop, produce, and conduct advertising and promotional programs in the form of media as we determine to be most effective. We reserve the right, in our sole discretion, to determine the composition of all geographic territories and market areas for the development and implementation of advertising and promotion programs. All costs of the formulation, development and production of any such advertising and promotion (including without limitation the proportionate compensation of our employees who devote time and render services in the formulation, development and production of such advertising and promotion programs or the administration of the funds), will be paid from a separate fund administered by us (the "Marketing Fund"). You will be obligated to pay four percent (4%) of your Gross Sales of the Center with a minimum contribution of $250 per week to the Marketing Fund, which will be determined in AlignLife's sole discretion. Your contribution to the Marketing Fund will be collected via Electronic Funds Transfer pursuant to Section 15.4 hereof, on the day of the week we specify based on the Franchise's Gross Sales for the preceding week ending on Sunday. If you are a conversion franchisee, then collection of the Marketing Fund will be waived for the first ninety (90) days after execution of this Agreement. All AlignLife Centers owned by us will contribute to the cost of such advertising and promotion programs on at least the same basis as you. We reserve the right to direct the operation of the Marketing Fund as we deem appropriate, in our sole discretion, and further reserve the right to engage the services of an advertising source or sources to formulate, develop, produce and conduct the advertising and promotion programs, the cost of such services to be payable from the Marketing Fund. If there is a debt to the Marketing Fund at the end of the year (operating fund covered the overspend) then we have the right to pay that money back to the operating fund from the Marketing Fund. Upon request by you, in writing, we will provide you with an accounting of the receipts and disbursements of the Marketing Fund. Any written request for such accounting may include the twelve (12) months immediately preceding the request but, in no event, shall AlignLife be obligated to provide any accounting of receipts and disbursements of the Marketing Fund more than twenty-four (24) months prior to the date of your written request.

In some states, where this structure is not permissible, the Marketing will be automatically converted to the below payment arrangement:

MARKETING	Weekly Cost	Weekly Cost with MetaLife Weight Loss System
Year 1	$250	$314

Year 2-4	$275	$339
Years 5-7	$346	$410
Years 8 - 10	$466	$524

You acknowledge and understand that the Marketing Fund is intended to maximize general public recognition and patronage of the Marks in the manner determined to be most effective by us and that we undertake no obligation in developing, implementing or administering these programs to ensure that expenditures which are proportionate or equivalent to your contributions are made for the market area of the Center or that any Center will benefit directly or pro rata from the placement of advertising.

Marketing campaigns can consist of digital marketing, radio, television, billboards, direct mail, newspaper or any other form of digital or conventional marketing. We reserve the right to make the decision on the type and amount of investment for the most effective marketing strategies. Certain campaigns will be optional for you to participate, however, any corporate-sponsored campaigns are run as a national campaign and can not be opted out by individual locations.

If there are any funds remaining in the Marketing Fund at the end of any fiscal year, such funds shall be carried forward to be spent in the next year.

In addition to the Marketing Fund described above, we may initiate and/or conduct marketing events, campaigns and/or promotions and we may designate that your participation in such events, campaigns and/or promotions is mandatory. It is your sole responsibility to investigate, satisfy and remain in compliance with all local, state and federal laws. If you fail to display any promotional materials related to any promotional event or campaign, you shall pay to us our then-current non-compliance fee.

13.2 Local and Regional Marketing Cooperatives.

We reserve the right to require that you participate in local and regional marketing cooperatives in connection with the marketing and promotional programs administered by us. If an advertising cooperative is formed for the area that includes your territory, you are required to participate in the cooperative. Your contributions to the cooperative, which are in addition to the marketing contribution payable by you under Section 13.1 above, shall not be more than One Thousand dollars ($1,000) or three percent (3%) of the Gross Sales of the Center whichever is greater. However, members of the cooperative may, by 2/3 vote, require each member to contribute more than One Thousand dollars ($1,000) or three percent (3%) of Gross Sales.

We may establish, change, dissolve, or merge local or regional marketing and advertising cooperatives in geographical areas with two or more franchises. Advertising cooperatives may be established for areas covered by advertising media relevant to particular geographic markets, Metropolitan or Micropolitan Statistical Areas or our advertising strategies, in our discretion. If we establish an advertising cooperative in an area, each AlignLife Center within the cooperative area must join and contribute to the cooperative each month. Your cooperative contribution will be credited toward your required Local Advertising expenditure described in Section 13.3 below, but not toward your contribution to the Marketing Fund. If the amount you contribute to a cooperative is less than the amount you must spend for Local Advertising, you shall nevertheless spend the difference locally. Either the cooperative or we will determine the amount of your monthly contribution, subject to the limitations in the paragraph above. The members of each cooperative will be responsible for its administration, subject to our approval. Each member of an advertising cooperative will have one vote per franchise. Each cooperative will operate from written governing documents and must prepare monthly financial statements, all of which will be available for its members' review. Each location owned by us in an area

in which an advertising cooperative has been established will contribute to the cooperative on the same basis as other members of that cooperative.

13.3 By Franchisee.

If there is no advertising cooperative formed for an area that includes your Center, you agree to expend not less than one percent (1%) of Gross Sales each month on advertising in your territory to promote your Center.

Additionally, You must invest a minimum of $2,000 per month in digital ads paid to AlignLife Systems or alternative approved vendors.

All promotional and marketing materials that you intend to use in any medium must be tasteful and dignified. All promotional and marketing materials must be presented to us and must conform to the standards and requirements specified in the Manual or otherwise, or as may be required by law. We will notify you of our approval or disapproval within ten (10) business days of our receipt of your proposed materials. If you use any marketing materials that we have not approved, you must stop using the unapproved advertising and pay us our then-current non-compliance fee of One Hundred Twenty-Five Dollars ($125) for the use of unapproved marketing materials. You must comply with all revisions to the promotional and marketing materials that we may require before we approve them. At our request you must include certain language in your local advertising materials, including "Franchises Available" and our website address and telephone number. You cannot use any advertising or promotional plans or materials that we have not approved, and you must stop using any plans or materials promptly when we notify you to do so. Failure to obtain our prior approval on any proposed advertising will result in penalties and could be grounds for immediate termination of this Agreement.

13.4 Opening Advertising and Promotion Fee.

You agree to provide us with opening advertising and promotion plans for our approval prior to opening the Center. You agree to spend between Five Thousand Dollars ($5,000.00) and Ten Thousand Dollars ($10,000) in opening advertising and promotion. In addition, you shall provide to us, upon our request, copies of all records evidencing said expenditures.

13.5 Advisory Councils.

We reserve the right to establish an advisory council composed of franchisees and our representatives. Franchisee participants will be chosen by us or may be elected by other franchisees in the System. If you participate on an advisory council, you must pay all expenses you incur related to your participation, such as travel and living expenses to attend council meetings. If established, the advisory council will act in an advisory capacity only and will not have decision making authority. We have the right to establish, change, merge or dissolve any advisory council at any time.

14. RECORDS AND REPORTS

14.1 Bookkeeping and Recordkeeping.

You agree to establish a bookkeeping and recordkeeping system utilizing Quickbooks and the AlignLife Chart of Accounts, while conforming to the requirements prescribed by us, relating, without limitation, to the use and retention of all Center invoices, purchase orders, purchase invoices, payroll records, check stubs, bank statements, value added tax records and returns, cash receipts and disbursements, journals and general ledgers, as well as any bookkeeping and recordkeeping required by applicable law.

If you are a start-up franchise, you must utilize AlignLife's Bookkeeping Service for the first year your center is in operation. Conversion franchises and any franchise after their first year have the option to use/continue to use AlignLife's Bookkeeping Services but are not required to do so.

14.2 Sales Reports and Financial Statements.

You agree to submit to us, in the English language:

(a) with the royalty fee due, a weekly report of the sales and collections of the Center and all other information and supporting records as we may require;

(b) within the first fifteen (15) days of each month, an unaudited balance sheet as of the end of the preceding month and an unaudited statement of profit and loss of the Center, and all other reports as dictated by the Operations Manual;

(c) within thirty (30) days of the end of each fiscal year of the Center, an unaudited balance sheet and an unaudited annual statement of profit and loss and financial condition of the Center prepared in accordance with the local generally accepted accounting principles by an independent qualified accounting firm in the manner prescribed by us;

(d) upon our written request, exact copies of any and all tax filings required by any agency and/or taxing authority for any period; and

(e) such other information as we may reasonably require to determine your and your owners' compliance with this Agreement or to assist you in the operation of the Center or to otherwise evaluate the performance of the Center.

14.3 Right to Require Audit.

We reserve the right to audit or cause to be audited the billing reports, financial statements and tax returns you are required to submit to us. In the event any audit discloses an understatement of the Gross Sales of the Center for any period or periods, you must immediately pay on the amount of such understatement the Royalty Fee, the Marketing Fund contribution and the amount, if any, required to be paid to your local or regional cooperative as provided in this Agreement, plus late fees and interest due as set forth in Section 6.3. Further, in the event such understatement for any period or periods shall be two percent (2%) or more of the Gross Sales of the Center, or if the audit is required due to your failure to provide reports required pursuant to this Agreement and the Operations Manual, you will be required to pay any understated amount together with applicable late fees and interest and you must pay us Nine Hundred Dollars ($900), representing the cost of the audit. In the event you dispute the results of any audit conducted by us or our representatives, we will give you the right to have the results verified by an independent qualified accounting firm selected by our outside accounting firm. The expense of this audit shall be borne by you unless this further audit discloses that no deficiency is due in which case we will be obligated to pay for the audit. This audit shall be commenced within ten (10) days after completion of our initial audit. You agree to cooperate with all personnel conducting the audit. The results shall be binding upon the parties. You agree to pay any deficiencies within five (5) days after receipt of the final audit.

14.4 Reporting Late Fees.

In the event any report required pursuant to Section 14.2 above is not received on time, you shall pay a late fee of Thirty Dollars ($30) per day for each day that the report is late. If the day the report is due is holiday, the report is then due by noon the following work day. Any late reporting fee assessed upon you for a late weekly report is payable by 12:00 p.m. CST the day after such report was due. Any

late reporting fee assessed upon you for a monthly, quarterly or yearly report that is late is payable beginning the third (3rd) day after the due date of the required report. Any late fees assessed pursuant to this Section 14.4 will accrue daily until the overdue report is submitted. We reserve the right to deduct any late fees by electronic funds transfer, as described in Section 15.4.

15. OPERATING REQUIREMENTS

15.1 Operating Procedures.

You agree to fully comply with all specifications, standards and operating procedures and rules from time to time prescribed for the Center and as documented in the Operations Manual (see Section 15.6), including, but not limited to, specifications, standards and operating procedures and rules relating to:

(a) the safety, maintenance, cleanliness, sanitation, function and appearance of the Center premises and its equipment, fixtures, furniture, decor and signs;

(b) qualifications, licensing (as applicable), dress, grooming, general appearance and demeanor of you and your employees;

(c) methods and procedures relating to the business operations of the Center;

(d) the hours during which the Center will be open for business;

(e) advertising and promotion;

(f) use of standard forms;

(g) use and illumination of exterior and interior signs, posters, displays, brochures, educational material and similar items;

(h) the handling of patient complaints, and

(i) compliance with our identity programs, as exist from time to time.

15.2 Compliance With Laws and Other Business Practices.

You agree to secure and maintain in force all required licenses, permits and certificates and operate the Center in full compliance with all applicable laws, ordinances and regulations. You also agree to pay when due all amounts payable pursuant to any provision of this Agreement or any other agreement with us or our affiliates or subsidiaries or pursuant to any agreement with any other creditor or supplier of the Center.

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

or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

15.3 Computer Technology.

AlignLife and Franchisee agree that efficient data communications are important to the operation of the AlignLife System. Accordingly, Franchisee agrees that, upon receipt of a written request from AlignLife, Franchisee will immediately take steps to acquire and will install or cause to be installed in its Center within ninety (90) days from the date of such request, a communications system and necessary peripheral equipment and software which will permit effective data communications with AlignLife to include but not limited to phone systems, computers, and any applicable software (the "technology"). AlignLife agrees to provide Franchisee with its hardware and software specifications and requirements and to provide such other technical information and pricing information as is available to AlignLife to assist and facilitate the acquisition, installation and operation of such technology by Franchisee. AlignLife expressly reserves the right to require Franchisee to acquire and install a particular specified technology from their required vendor only. It is understood and agreed that Franchisee shall bear the entire cost and expense of the acquisition, installation and operation of the recommended technology.

AlignLife Systems reserves the right to cause Customer's EMR Subscription Services to enter a state of read-only access when, as determined by the Sections 6 and 13 of the Franchise Agreement, any monies due to AlignLife Systems, dba ChiroHD Ventures under the Franchise Agreement are late, in arrears, or otherwise unpaid in accordance with the terms of Section 18 of this agreement. Unless and until all monies owed under the Franchise Agreement are paid to ChiroHD Ventures the EMR Subscription Services may, at Ventures' discretion, remain in read-only status until the account is brought current and Ventures deems the EMR Subscription Services to be reverted to full access.

When in a state or read-only access, Customer has access to data, including patient ledgers, SOAP notes, reports, but may not make additions, deletions, or any edits, changes, or augmentation to data in the Platform. When a customer enters read-only mode, the platform will no longer receive updates, general maintenance, and other improvements provided to customers with full functionality of the Platform. Any platform which enters read-only status remains compliant with HIPAA guidelines for data storage of electronic health records and shall otherwise receive the same data storage methodology as if the Platform was in full access mode. Any termination by either party shall result in Customer patient data stored in the Platform to be made available through read-only state in accordance with HIPAA regulations governing the transfer, access to, and modification of sensitive patient information. Once the Customer has satisfied outstanding balances due to Ventures, Ventures shall facilitate the transfer of all patient files to a new database with the same platform.

15.4 Electronic Funds Transfer.

AlignLife and Franchisee agree that it is desirable to have available the means to electronically transfer royalty franchise fee payments, marketing payments and the like from Franchisee's bank account directly to AlignLife's bank account as set forth in Attachment 3. Accordingly, you hereby agree that at the request of AlignLife, you will execute such documents as may be necessary to permit and facilitate the electronic transfer of funds as contemplated herein, at your cost and expense.

15.5 Prices to be Determined by Franchisee.

We may from time to time offer guidance to you relative to prices for the products of the Center that in our judgment constitute good business practices. You will have the sole right to determine the prices to be charged from time to time by the Center. No such guidance shall be deemed or construed to impose upon you any obligation to charge any fixed, minimum or maximum prices for any product or

service offered for sale by the Center. You will not enter into any agreement or engage in any concerted practice with any other AlignLife Center or others relating to the prices at which products or services will be sold by you or by other AlignLife Centers.

15.6 Operations Manual.

We will provide you during the term of this Agreement the access to online operating manual, operational bulletins, and similar materials (collectively, the "Operations Manual") containing proprietary know-how, mandatory and suggested specifications, standards and operating procedures and the rules prescribed from time to time by us, and information relative to the operation of the Center. You will conduct all your operations under this Agreement in accordance with the Operations Manual. The entire contents of the Operations Manual will remain confidential and our property. You will not duplicate, photocopy or otherwise reproduce the Operations Manual, either in whole or in part, without our written permission. If we require, you agree to translate the Operations Manual at your cost and expense, and provide us with a copy of the translation for our approval. All translated copies of the Operations Manual will be our property. We have the right to use the translation for any purpose we determine.

We shall have the right to add to and otherwise modify the Operations Manual from time to time, if deemed necessary by us, to improve the standards of service or product quality or the efficient operation of a Center, to protect or maintain the goodwill associated with the Marks or to meet competition. You must comply with any such changes to the Operations Manual. You may propose changes in the Operations Manual to conform it to the laws and customs of, and market characteristics in the geographic area in which your Center is situated. We will determine, in our sole discretion, whether to change the Operations Manual as proposed by you. Our approval of such changes must be in writing.

The provisions of the Operations Manual as modified from time to time and the mandatory specifications, standards and operating procedures and rules prescribed from time to time by us and communicated to you in writing, will constitute provisions of this Agreement as if contained in this Agreement. You acknowledge the necessity and importance of all specifications and standards for the overall performance of the obligations set forth herein. You agree to use and apply the AlignLife System as described herein and as set forth in the Operations Manual and any specifications, standards, rules and procedures. You will ensure that the Operations Manual is kept current and up-to-date. In the event of any dispute as to the contents of the Operations Manual, the provisions of the online Operations Manual (in the English language), maintained at our home office, will be controlling.

15.7 Trade Secrets.

In addition to maintaining the confidentiality of all information received by you or your Owners in conjunction with your operation of a Center as a franchisee, you hereby agree that you: (i) will maintain the absolute confidentiality of all information and methods provided by us with respect to the discharging of your responsibilities under this Agreement inclusive of, but not limited to, the Operations Manual; (ii) shall disclose such confidential information to your employees only to the extent necessary for your performance under this Agreement; and (iii) shall not use any such information in any other business or in any manner not specifically authorized or approved in writing by us. At our request, you must have your owners and employees execute a Confidentiality and Non-Competition Agreement in a form required by us, and provide us with a copy of such an executed agreement. We will be a third party beneficiary of each such agreement with the independent right to enforce the agreement's terms.

15.8 New Concepts.

If you, your owners, manager or employees develop any new concept, process or improvement in the operation or promotion of the Center, you agree to promptly notify us and provide us, free of charge, with all the necessary information and to share this material with us for use within the AlignLife System.

You, your owners, manager and employees must acknowledge that any of these concepts, processes or improvements will become our property and we may give the information to other franchisees.

15.9 Franchisee Must Directly Supervise Center.

The Center shall at all times be under the direct, on-premises supervision of you or your designee (or the Controlling Shareholder or Partner if you are a corporation or partnership and, if so, the Controlling Shareholder or partnership may substitute a designated individual). You or your designee (or the Controlling Shareholder or Partner if you are a corporation or partnership and, if so, the Controlling Shareholder or Partner may substitute a designated individual) must devote your full time and efforts (excluding reasonable vacation periods) as manager of the Center or to the management of other AlignLife Centers (or other related activities approved by us in accordance with Section 7.3 of this Agreement). If you own more than one (1) Center, each Center owned must be under the direct, on-premises supervision of an approved manager:

(a) who has completed, to our satisfaction, such training as we specify;

(b) whose identity has been disclosed to us; and

(c) who shall have executed, upon our request, an agreement in the form approved by us agreeing not to divulge any trade secret or confidential or proprietary information, including the contents of the Operations Manual.

15.10 Insurance.

You shall at all times during the term of this Agreement maintain in force at your sole expense general liability insurance with a minimum limit approved by AlignLife (including, but not limited to, malpractice coverage for personal injury, products and contractual liability), property insurance (including, but not limited to, fire, extended coverage, vandalism and malicious mischief), worker's compensation insurance as required by applicable law, an umbrella policy, if available at reasonable cost to Franchisee with a minimum limit approved by AlignLife, and any other insurance required under applicable law or which we require, under one or more policies of insurance containing coverage and limits, from time to time prescribed by us. AlignLife Systems, LLC needs to be listed as an Additional Insured on malpractice insurance along with the franchisee's LLC entity. All insurance policies must be issued by an insurance carrier (a) having a rating of "A" or better by A.M. Best & Co., and (b) if requested, approved by AlignLife. All general liability insurance policies must name AlignLife Systems, LLC and the subsidiaries and affiliates which we designate as additional named insureds and provide that we receive thirty (30) days prior written notice of termination, expiration, cancellation, modification or reduction in coverage or limits of any such policy and that we receive prompt notice from the carrier of any claim filed under the policy. You must submit to us annually within fifteen (15) days of issuance a copy of the certificate of or evidence of the renewal or extension of each such insurance policy or any modifications to any such insurance policies. If at any time you fail or refuse to maintain in effect any insurance coverage required by us, or to furnish satisfactory evidence of such insurance, we may, at our option and in addition to any other rights and remedies we may have, obtain insurance coverage on your behalf, and you agree to promptly execute any applications or other forms or instruments required to obtain any such insurance and pay to us on demand any costs and premiums incurred by us. Your obligation to obtain and maintain the insurance described in this Agreement shall not be limited in any way by reason of any insurance maintained by us.

15.11 Identification as Franchisee.

You agree to post a notice to the public at the Center premises in an area of sufficient prominence so as to advise the public that the Center is independently owned, operated and maintained solely by you, a Franchisee of AlignLife Systems. If you fail to post such notice of ownership as required by us, you shall pay to us our then-current non-compliance fee for your failure to do so.

16. MARKS

16.1 Usage.

You acknowledge that AlignLife is the licensee of the owner of all Marks licensed to you by this Agreement and that all usage of the Marks and any goodwill established shall insure to AlignLife's exclusive benefit. Any references herein to AlignLife's rights, title and interest in and to the Marks shall be deemed to include the owner's rights, title and interest in and to the Marks. You shall use the Marks in full compliance with rules prescribed from time to time by AlignLife. We hereby grant to you a license to utilize the Marks in association with the Center for the term of this Agreement and any option flowing therefrom. You acknowledge that AlignLife shall retain full control of the Marks. Furthermore, you acknowledge that you shall not allow any other party to utilize the Marks in relation to the operation of the Center. AlignLife shall continue to have the right to control the character and quality of the product and services provided by your Center; and that AlignLife shall have the right to exercise control over you on a periodic basis by the inspection of the Center and products and services provided. In addition, you agree to post in the Center a notice to the public in such form as we may reasonably require, indicating that you are an independent franchisee of AlignLife Systems, LLC. You agree that in case you directly or indirectly contest the validity of AlignLife's rights or ownership of the Marks we may terminate this Agreement. You shall not attempt to register any Mark or derivative thereof, shall not use any Mark as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols nor may you use any Mark in connection with the sale of any unauthorized product or service or in any other manner not explicitly authorized in writing by us. Upon expiration or termination of this Agreement, no monetary amount shall be assigned or attributable to any goodwill associated with your use of the AlignLife System or the Marks.

16.2 Infringements.

You agree to immediately notify us of any infringement of or challenge to your or our use of any Mark or claim by any person of any rights in any mark or any suspected passing-off or unfair competition involving the Marks or the AlignLife System. You agree that you will not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. Unless you have an independent cause of action pursuant to applicable law, AlignLife will have sole discretion to take such action as we deem appropriate and the right to exclusively control any litigation or Patent and Trademark Office proceeding (or proceedings of the equivalent office, agency or ministry in the county or State in which the Center is located) or other proceeding arising out of any infringement, challenge or claim or otherwise relating to any Mark. You agree to execute any and all instruments and documents, render such assistance and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interests in any such litigation, Patent and Trademark Office proceedings, or other proceeding or to otherwise protect and maintain AlignLife's interest in the Marks.

16.3 Indemnification.

You will promptly notify us of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, our right to use and to license others to use, or your right to use, the Marks. You acknowledge that we have the right to direct and control an administrative proceeding or litigation involving the Marks, including any settlement thereof. We will defend you

against any third-party claim, suit, or demand arising out of your use of the Marks. If we, in our sole discretion, determine that you have used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, will be borne by us. If we, in our sole discretion, determine that you have not used the Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, will be borne by you. In the event of any litigation relating to your use of the Marks, you will execute any and all documents and do such acts as may, in our opinion, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Marks in a manner inconsistent with the terms of this Agreement, we agree to reimburse you for your out-of-pocket costs in doing such acts.

17. INSPECTIONS

We will have the right at any time during business hours and without prior notice to conduct reasonable inspections of the Center operated by you. We will have the right to audit any business records and to take a physical inventory of the assets of any such Center. Inspections of any such Center will be made at our expense unless we are required to make any additional inspections in connection with your failure to comply with this Agreement. In such event, we will have the right to charge you for the costs of making all additional inspections in connection with your failure to comply, including without limitation travel expenses, hotel accommodations, meals and compensation of our employees.

18. TERMINATION AND EXPIRATION

18.1 Termination By AlignLife.

We have the right to terminate this agreement effective upon delivery of notice of termination to you, if: (1) you do not develop or open the franchise as provided in this agreement; (2) 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; (3) 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; (4) you are adjudged a bankrupt, become insolvent or make a general assignment for the benefit of creditors; (5) you use, sell, distribute or give away any unauthorized services or products, and do not cease the use, sale, or distribution of unauthorized services or products within ten (10) days after written notice is given to you; (6) you fail to maintain a valid license to practice and/or fail to maintain compliance with state and federal regulations and do not cure the failure within twenty (20) days after written notice is given to you; (7) 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 the company, the franchise, and/or the goodwill associated with the marks; (8) you are involved in any action that is likely to adversely affect the reputation of the company, the franchise, and/or the goodwill associated with the marks; (9) 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; (10) 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; (11) you or any of your principal owners fail to comply with any other provision of this agreement or any mandatory specification, standard, or operating procedure or you fail to make changes required to comply with applicable state or federal laws within twenty (20) days after written notice of such failure to comply is given to you; (12) you fail to procure or maintain any and all insurance coverage that we require, or otherwise fail to name us as an additional insured on any such insurance policies and failure to do so within ten (10) days after written notice is given to you; (13) you or any of your principal owners fail on three (3) or more separate occasions within any twelve (12) consecutive month period to submit when due any financial statements, reports or other data, information,

or supporting records; pay when due any amounts due under this agreement; or otherwise fail to comply with this agreement, whether or not such failures to comply are corrected after notice is given to you or your principal owners; (14) you fail to meet the minimum financial requirements as noted in Section 4.2 of the Agreement.

In addition, if, in the opinion of our legal counsel, any provision of this agreement is contrary to law, then you and we agree to negotiate in good faith an amendment that would make this agreement conform to the applicable legal requirements. If you and we are unable to reach such an agreement, or if fundamental changes to this agreement are required to make it conform to the legal requirements, then we reserve the right to terminate this agreement upon notice to you, in which case all of the post-termination obligations set forth in section 18.2 shall apply.

In the event that we terminate this agreement under this section or other applicable provisions of this agreement, we shall be entitled, 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 AlignLife location franchises plus future projected revenues (the "Termination Fee"). The Termination Fee shall be payable by you in addition to any damages payable to us, including loss of future revenues, resulting from your improper or wrongful breach or other termination of this agreement. Future revenues will be calculated using the average collections of the last 12 months with annual growth. We shall be entitled to recover all costs, including attorneys' fees, incurred in connection with the termination and collection of the Termination Fee.

If you continue to operate the franchise after termination of this Agreement, in addition to any other right or remedy we may have (including the Termination Fee), you agree to pay to us the amount of one thousand and no/100 dollars ($1,000.00) per day that you operate the franchise in violation of this Agreement, plus all costs and attorneys' fees incurred as a result of the violation. This amount has been determined because it is a reasonable estimation of the damages that we would incur from such a breach, and it will otherwise be impossible to calculate precisely the actual damages from such a breach.

18.2 Obligations Upon Termination or Expiration.

Upon termination or expiration of this Agreement, all rights granted to you under this Agreement shall forthwith terminate, and:

(a) You will, upon expiration, immediately cease to operate the Center as an AlignLife Center, or upon termination immediately cease to operate the Center, and in either case will not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former franchisee of AlignLife;

(b) You will immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the AlignLife System; the Mark "AlignLife"; and all other Marks and distinctive forms, slogans, signs, symbols and devices associated with the AlignLife System. In particular, you will cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles which display the Marks;

(c) You will take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by you which contains the mark "AlignLife" or any other Marks, and you will furnish us with evidence of compliance with this obligation within five (5) days after termination or expiration of this Agreement;

(d) You will, in the event you continue to operate or subsequently begin to operate any other business, not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either

in connection with such other business or the promotion thereof, which, in our sole discretion, is likely to cause confusion, mistake or deception, or which, in our sole discretion, is likely to dilute our rights in and to the Marks. You further agree not to utilize any designation of origin or description or representation which, in our sole discretion, falsely suggests or represents an association or connection with the AlignLife System constituting unfair competition;

(e) You will promptly pay all sums owing to us or our affiliates. In the event of termination for any default by you, such sums shall include all damages, costs and expenses, including reasonable attorneys' fees, incurred by us as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in our favor against any and all of the personal property, furnishing, equipment, signs, fixtures and inventory owned by you and on the Center premises at the time of default;

(f) You will pay to us all damages, costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 18;

(g) You will immediately deliver to us the HSTV Device, and all other records, correspondence and instructions containing confidential information relating to the operation of the Center, all of which are acknowledged to be our property, and you will not retain any copy or record of any of the foregoing. In the event you do not have, in your possession, any of the items that are required to be returned, you shall pay us the current market value for those items;

(h) The AlignLife custom version of ChiroHD will become read-only and data will not be able to be exported until all past due funds are paid up-to-date. Upon getting the account up-to-date, the Center's patient demographic data can be exported to another version of the software or any other software that has import capabilities.

(i) Upon termination of the Agreement, Customer shall immediately cease all use of, and all access to, the EMR Subscription Services and Ventures shall immediately cease providing the Professional Services. Upon termination by either party, Ventures will remove Customer access to the Platform and Ventures will provide to the Customer patient data stored in the Platform to the Customer in accordance with HIPAA regulations governing the transfer of sensitive patient information.

(j) Upon termination of the Agreement, Customer is required to remove AlignLife designed custom millwork including custom front desk and retail center. You will have the option to sell these items to another franchise location.

19. WEBSITES, ASSETS AND DIGITAL EXPOSURE

19.1 Definitions

For the purposes of this Agreement, the following words and phrases shall have the meanings set forth in this Section 19.1:

(a) "Content" means all text, images, sounds, files, video, designs, animations, layout, color schemes, trade dress, concepts, methods, techniques, processes and data used in connection with, displayed on, or collected from or through Franchisor's Website.

(b) "Franchisee's Web Page" means one or more interior pages of Franchisor's Website which Franchisor may dedicate, in whole or in part, to the Center.

(c) "Franchisor's Website" means one or more Internet Websites that Franchisor may develop, in its sole discretion, and may be used to, among other things, facilitate orders, provide information about the AlignLife System and the products and services that are offered on the Website and at franchised Centers operated under the Marks; Franchisee's Web Page may be part of the Franchisor Website.

(d) "Internet" means any means of electronic communication that employs inter-connected computer networks to communicate information (of any kind) by fiber optics, wire, radio or other methods of transmission, including the myriad of computers, telecommunications facilities and similar means (both equipment and software) that comprise the interconnected worldwide network of networks that employ the TCP/IP (Transmission Control Protocol/Internet Protocol) or any predecessor or successor protocols to that protocol.

(e) "Intranet" means a private method of communication for use only by employees and franchisees of Franchisor; the Franchisor's Intranet may be either a "true" intranet (a series of inter-connected computers that use the same type of software as the Internet, but that are not technically part of the Internet and do not use the Internet to transmit material to one another) or an extranet (which will actually transmit information over the Internet, but require a password to access data on the servers used by Franchisor).

(f) "Website" means a series of inter-connected "pages" on the World Wide Web section of the Internet (the "World Wide Web" is the portion of the Internet that features graphics-rich pages using the HTTP and HTML protocols).

19.2 Use of Marks on the Internet

(a) Except as provided in this Agreement, Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, any Internet home page, e-mail address, Website, bulletin board, newsgroup or other Internet-related medium) which in any way uses or displays, in whole or part, the Marks, or any of them, or any words, symbols or terms confusingly similar thereto other than Franchisee's Web Page, if established by Franchisor, in its sole discretion, and in accordance with this Agreement, such procedures, policies, standards and specifications as Franchisor may establish in the Operations Manual from time to time and only so long as Franchisee is not in default of this Agreement or any other Agreement between Franchisor, its affiliates and Franchisee.

(b) Franchisee shall not use, nor authorize any third party to use, the Marks to advertise, promote, offer or sell any goods or services through the Internet, if those goods or services are the same as or similar to those (a) which are offered at or from the Center, (b) which bear any of the Marks, or (c) which are otherwise offered or sold under the Marks.

(c) Franchisor will own and will retain all right, title and interest in and to the Marks and the use thereof in any and all manners and to all existing and future domain names, URLs, future addresses and sub addresses established by Franchisor (including Franchisee's Web Page sub addresses) which may or may not include the Marks; all Software; all Content prepared for, or used on, Franchisor's Website; and all intellectual property rights in or to any of them.

(d) All websites and social media business pages using the Marks will be created by Franchisor for the use of Franchisee's Center and will remain Franchisor's property at all times.

<u>For conversion clinics only:</u>

(e) You and your staff members are permitted to post on any social sites as long as you adhere to our AlignLife Social Media Policy. When using Proprietary Marks in any manner on any social or networking websites, you must comply with our AlignLife Brand Standards. We reserve the right to conduct collective/national campaigns via local social media on your behalf. We will control all social media initiatives. You must comply with our System standards regarding the use of social media in your Center's operation, including prohibitions on your and Center's employees posting or blogging comments about the Center or the System, other than on a website established or authorized by us ("social media" includes personal blogs, common social networks like Facebook, professional networks like LinkedIn, live-blogging tools like Twitter, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools). We will provide access to branded social media pages/handles/assets, and you must update these regularly. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

19.3 Franchisor's Website

(a) Franchisor may, but shall not be obligated to, establish and maintain from time to time Franchisor's Website to provide information about the AlignLife System and the goods and services that AlignLife Centers provide. Franchisor has sole discretion and control over the establishment, design and content of the website. Franchisee can make requests to change pictures or copy on the individual location site but not changes to template layout. Franchisor may, at its sole option, from time to time, without prior notice to Franchisee: (aa) change, revise, or eliminate the design, content and functionality of Franchisor's Website; (bb) make operational changes to Franchisor's Website; (cc) change or modify the URL and/or domain name of Franchisor's Website; (dd) substitute, modify, or rearrange Franchisor's Website, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to, among other things, (1) comply with applicable laws, (2) respond to changes in market conditions or technology and respond to any other circumstances; or (3) limit or restrict end-user access (in whole or in part) to Franchisor's Website; and (ee) disable or terminate Franchisor's Website without any liability to Franchisee.

(b) Franchisor will create and maintain a standalone website and/or a presence on the corporate AlignLife website for each franchisee. Franchisor may, but shall not be obligated to, permit Franchisee to customize or post certain information to Franchisee's Website, subject to Franchisee's compliance with the procedures, policies, standards and specifications that Franchisor may establish in the Operations Manual from time to time. Any modifications (including customizations, alterations, submissions or updates) to the Content made by Franchisee for any purpose will be deemed to be a "work made for hire" under the copyright laws, and therefore, Franchisor shall own the intellectual property rights in and to such modifications. To the extent any modification does not qualify as a work made for hire as outlined above, Franchisee hereby assigns those modifications to Franchisor for no additional consideration and with no further action required and shall execute such further assignments(s) as Franchisor may request. Franchisee may not modify Franchisee's Website except in coordination with Franchisor's webmaster and in compliance with Franchisor's policies and procedures.

(c) Without limiting Franchisor's general unrestricted right to permit, deny and regulate Franchisee's participation on Franchisor's Website in Franchisor's sole discretion, if Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement, or any other agreement with Franchisor or Franchisor's affiliates or otherwise breaches this Agreement or any other agreement with Franchisor or Franchisor's affiliates, Franchisor may disable or terminate Franchisee's Web Page, without prior notice and without any liability or recourse as against Franchisor, or its affiliates, and remove all references to the Center on Franchisor's Website until the breach is cured and the Franchisee has paid all outstanding obligations in full. Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact with full power and authority for the sole purpose of disabling Franchisee's

Web Page. This appointment shall be deemed to be coupled with an interest and shall continue in full force and effect until the termination or expiration of this Agreement.

(d) Franchisor has no control over the stability or maintenance of the Internet generally; as a result, Franchisor is not responsible for damage or loss caused by errors of the Internet, hacking or any other website compromise. Furthermore, Franchisor is not liable for any direct, indirect, special, incidental, exemplary or consequential damages arising out of the use of, or the inability to use, Franchisor's Website or the Internet, including loss of profits, goodwill, or savings; downtime; or damage to or replacement of programs and data, whether known or unknown, based in contract, tort, product liability, or otherwise.

19.4 Franchisor's Intranet.

(a) Franchisor may, at its sole discretion and option, establish and maintain, an Intranet and a social forum using Facebook or other forum software through which Franchisor, franchisees of Franchisor and Franchisor's employees may communicate with each other, and through which Franchisor may disseminate the Manuals, updates thereto and other confidential information. Franchisor shall have sole discretion and control over all aspects of the Intranet, including the content and functionality thereof. Franchisor will have no obligation to maintain the Intranet indefinitely, and may dismantle it at any time without liability to Franchisee.

(b) If Franchisor establishes an Intranet, Franchisee shall have the privilege to use the Intranet, subject to Franchisee's strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time. Such standards and specifications, protocols and restrictions may relate to, among other things, (i) the use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) communications between or among franchisees that endorse or encourage breach of any franchisee's Franchise Agreement; (iii) confidential treatment of materials that Franchisor transmits via the Intranet; (iv) password protocols and other security precautions; (v) grounds and procedures for Franchisor's suspending or revoking a franchisee's access to the Intranet; and (vi) a privacy policy governing Franchisor's access to and use of electronic communications that franchisees post to the Intranet. Franchisee acknowledges that, as administrator of the Intranet, Franchisor can technically access and shall be entitled to view any communication that any person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Franchisor's property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

(c) If Franchisee fails to pay when due any fees or other amounts payable to Franchisor under this Agreement, or any other agreement with Franchisor or Franchisor's affiliates or otherwise breaches this Agreement or any other agreement with Franchisor or Franchisor's affiliates, Franchisor may, without prior notice and without any liability or recourse as against Franchisor, or its affiliates, temporarily disable or terminate Franchisee's access to the Intranet until such time as Franchisee pays its outstanding obligation in full without Franchisor having any liability to Franchisee. This in no way absolves Franchisee from continuing to owe ongoing Royalty and advertising fees.

19.5 Patient Communication

The franchisor has the right to execute social media posting to the clinic's social media channels as well as execute educational and marketing strategies that can incorporate a multichannel approach including email, internet television, text, social, and/or voicemails without the approval of the individual clinic.

19.6 Assignment Upon Termination or Expiration

Franchisee shall, at the option and request of Franchisor, and without any additional consideration, assign to Franchisor all rights to all email addresses, URLs, domain names, Internet listings, and Internet accounts related to the Center following demand by Franchisor upon Franchisee's misuse of the same and/or the termination or expiration of this Agreement. Furthermore, Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact with full power and authority for the sole purpose of assigning these rights to Franchisor. This appointment shall be deemed to be coupled with an interest and shall continue in full force and effect until the termination or expiration of this Agreement.

20. RESTRICTIVE COVENANTS

20.1 In-Term Covenant.

You and your owners agree that during the term of this Agreement and while this Agreement is in effect, neither you nor your owners will, directly or indirectly for the benefit of you or your owners, or through or on behalf of or in conjunction with any other person, partnership or corporation, engage in, be employed by, advise or assist, invest in, franchise, make loans to, or have any interest in any chiropractic practice, or acquire any financial interest in the capital of such business which might provide the power to influence the economic conduct of such business (except for AlignLife Centers operated under franchise agreements entered into with us or other AlignLife Centers in which you or your owners have an ownership interest).

20.2 Post-Term Covenant.

You and your owners agree that for a period of two (2) years after termination of this Agreement for cause, or the date on which you cease to operate the Center, whichever is later, neither you nor your owners will, directly or indirectly for the benefit of you or your owners, or through or on behalf of or in conjunction with any other person, partnership or corporation, own, engage in, be employed by, advise, assist, invest in, franchise, make loans to, or have any interest in any chiropractic practice using AlignLife methods located at the premises of the Center or within fifteen (15) miles of the premises of the Center (except for other AlignLife Centers operated under franchise agreements with us or other AlignLife Centers in which you or your owners shall have an ownership interest). Nothing herein shall be construed as a substitute for damages caused by you, or suffered by AlignLife, as the result of any termination of this Franchise Agreement prior to the expiration of the ten (10)-year term.

In the event you should be in violation of the restrictive covenant(s) set forth herein, then the time limitation of that restrictive covenant shall be extended for a period of time equal to the period of time during which such breach or breaches occur. In the event AlignLife should be required to seek relief from such breach in any court or arbitration, the restrictive covenant shall be extended for a period of time equal to the pendency of the proceedings before such court, including all appeals.

You hereby acknowledge that money damages alone would not adequately compensate AlignLife in the event of breach by the Franchisee of the above-mentioned restrictive covenant and, therefore, you

agree that, in addition to all of the remedies available to AlignLife at law or in equity, AlignLife shall be entitled to injunctive relief for the enforcement of the restrictive covenant

20.3 Ownership of Public Companies.

The covenants contained in this Section 20 shall not apply to ownership by you or your owners of less than a five percent (5%) beneficial interest in the outstanding equity securities of any corporation whose stock is publicly traded.

20.4 Solicitation of Employees.

You and your owners agree that during the term of this Agreement and for one year following the termination or expiration of the term of this Agreement, neither you nor your owners will directly or indirectly solicit or employ any person who is employed by us, nor will you or your Owners induce or attempt to induce any of these people to leave their employment without our prior written consent and the consent of their employers.

20.5 Confidentiality.

You and your owners agree to maintain the absolute confidentiality of the Operations Manual and all other information concerning the AlignLife System during and after the term of the Franchise, disclosing this information to the other employees of the Center only to the extent necessary for the operation of the Center in accordance with this Agreement, and that you and your owners will not use the Operations Manual or such other information in any other business or in any manner not specifically authorized or approved by us in writing. You must require all employees and independent contractors to sign a written agreement in a form approved by us, to maintain confidential information, proprietary information and trade secrets as described in Section 15.7. You must forward to us a copy of each signed agreement. We shall be a third party beneficiary of each agreement with the independent right to enforce its terms.

20.6 Owners of Corporation or Partnership.

If you are a corporation or partnership, the owners, by executing this Agreement, shall be bound individually, jointly and severally, by the provisions contained in this Agreement, including the restrictions set forth in this Section 20. Further, a violation of any of the provisions of this Agreement, including the covenants contained in this Section 20, by any owner shall also constitute a violation by you of your obligations under this Agreement.

21. ASSIGNMENT

21.1 By AlignLife.

We shall have the right to transfer or assign this Agreement and all or any part of our rights or obligations under this Agreement to any individual or legal entity, and you agree to release us from all liability to you for performance under this Agreement subsequent to any such assignment.

21.2 By Franchisee.

This Agreement is personal to you and your owners. Accordingly, neither you nor any of your owners may assign or transfer this Agreement, any direct or indirect interest in this Agreement (including any interest in the assets of the Center) and, if you are a corporation or partnership, any interest in the corporation or partnership, except with our prior written approval and as specifically authorized under this Agreement. Any attempted assignment or transfer that we have not previously approved in writing and

which was not made in accordance with this Agreement shall have no effect and shall constitute a breach of this Agreement.

21.3 Assignment to Corporation or Partnership.

We will not withhold our consent if you propose to assign this Agreement to a corporation or partnership for the convenience of ownership of the Center, provided:

(a) the corporation or partnership conducts no business other than the operation of the Center or other AlignLife Centers (or other related activities authorized under this Agreement);

(b) the corporation or partnership is actively managed by you;

(c) the person designated as the Controlling Shareholder or Partner retains a controlling interest in the partnership or the equity and voting power of all issued and outstanding capital stock of the corporation; and

(d) all shareholders and investors meet our requirements as established from time to time and agree to guaranty the obligations of the corporation or partnership under this Agreement and to be bound by the terms of this Agreement in the manner prescribed by us.

If you are a corporation or partnership or if this Agreement is assigned to a corporation or partnership, you must comply with the requirements set forth in this Section 21.3 throughout the term of this Agreement. Unless prohibited by local law, the articles of incorporation and by-laws of any corporation or the organization documents of any partnership owning the Franchise, including all stock certificates, shall recite that they are subject to all restrictions contained in this Agreement. We shall also have the right to require, as a condition of any assignment of this Agreement to a corporation or partnership or the operation of the Franchise by a corporation or partnership, that the shareholders or partners enter into a buy/sell agreement among themselves in a form and containing such terms as we prescribe for transfers of ownership interests in such corporation or partnership. You shall provide us with all documents to be executed in connection with any such assignment and we shall use our reasonable efforts to approve or disapprove these within thirty (30) days after receipt. You hereby irrevocably appoint us as your attorney to do all acts and things and to give instructions to third parties as we may consider necessary in order to perform the foregoing.

21.4 Assignment or Transfer to Others.

We will not unreasonably withhold our consent if you propose to sell, transfer or assign this Agreement or, if you are a corporation or partnership, an ownership interest in the corporation or partnership, to others, provided:

(a) you and your owners are not in default under this Agreement or any other agreement with us or our subsidiaries or affiliates or any other creditor or supplier of the Center;

(b) the proposed transferee or assignee and its Controlling Shareholder or Partner and all other owners if it is a corporation or partnership meets our then applicable standards for franchisees or owners;

(c) the proposed transferee or assignee and its owners if it is a corporation or partnership is not operating any other chiropractic practices except other AlignLife Centers;

(d) the proposed transferee or assignee and its owners if it is a corporation or partnership signs our then current form of standard franchise agreement for a term equal to the remaining term of this Agreement or, at our election, the then current term under the standard franchise agreement, whichever is longer;

(e) the proposed transferee or assignee or the person designated by us must complete all required training and approvals to the extent required by us; and

(f) the proposed transferee or assignee pays us a transfer fee equivalent to $29,000.

The provisions of (d), (e) and (f) above shall not apply to an approved sale, transfer or assignment by a shareholder or partner that does not convey a controlling interest in the corporation or partnership except that the proposed transferee or assignee must guaranty the performance by Franchisee of its obligations under this Agreement and agree to be bound by all of the provisions of this Agreement in the form prescribed by us. You must provide us with all documents to be executed by you and/or your owners and the proposed purchasers in connection with any transfer or assignment at least thirty (30) days prior to signing.

21.5 Assignment Upon Death, Mental Incapacity or Permanent Disability.

Upon the death, mental incapacity or permanent disability of any person with an interest in this Agreement or in the Franchisee, the executor, administrator or personal representative of such person shall transfer such interest to a third party approved by us within six (6) months after such death, permanent disability or mental incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, will be subject to the same condition as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions of this Section, the executor, administrator or personal representative of the decedent shall transfer the decedent's interest to another party approved by us within a reasonable time, which disposition will be subject to all the terms and conditions for transfers contained in this Agreement.

21.6 Definition of Permanent Disability.

You or your Owners will be deemed to have a "Permanent Disability" if your or your Owners' usual, active participation in the Center as contemplated by this Agreement is for any reason curtailed for a continuous period of six (6) months or more.

21.7 Operation by AlignLife After Death or Permanent Disability.

We shall have the right to appoint a manager for the Center if in our judgment the Center is not being managed properly after your death or Permanent Disability or the death or permanent disability of an owner. All funds from the operation of the Center during the management by our appointed manager will be kept in a separate fund, and all expenses of the Center including compensation, other costs, and travel and living expenses of our manager will be charged to this fund. We will charge a weekly management fee of up fifteen percent (15%) of the Weekly Gross Sales of the Center (in addition to the royalty fee and marketing contributions payable under this Agreement) during the period in which we manage the Center on your behalf. Such management fee shall not exceed One Thousand Dollars ($1,000) per week. In managing the Center, our obligation will be to use our reasonable efforts and we will not be liable for any debts, losses or obligations of the Center, to any of your creditors for any products, materials, supplies or services purchased by the Center prior to or during the time of management by our manager. If the fund which we maintain is insufficient to pay the expenses of the Center, we will notify you or your executor, administrator, conservator, guardian or other personal representative and this person must deposit in the fund within five (5) business days, any amount required by us to attain a reasonable balance in the fund.

21.8 Right of First Refusal of AlignLife.

If you or your Owners propose to sell the Center (or its Assets) or, if you are a corporation or partnership, any ownership interest in the corporation or partnership and you or your Owners obtain a bona fide, executed written offer to purchase this interest, you or your Owners are obligated to deliver a copy of the bona fide offer to us along with all documents to be executed by you or your Owners and the proposed assignee or transferee. We or our Designee will, for a period of thirty (30) days from the date of delivery of this offer to us, have the right, exercisable by written notice to you or your Owners, to purchase the Center (or its Assets) or such ownership interest for the price and on the terms and conditions contained in the offer. We or our Designee may substitute equivalent cash for any form of payment proposed in such an offer or designate a substitute purchaser for the Center (or the Assets) or the ownership interest being offered, provided that we will assume responsibility for the performance of our Designee. If we or our Designee do not exercise this right of first refusal, the offer may be accepted by you or your Owners, subject to our prior written approval as provided in this Agreement. If the offer is not accepted within sixty (60) days, we or our Designee will again have the right of first refusal to purchase the Center as described above. This section will not apply to transfers made in accordance with Section 21.3 of this Agreement.

22. CONTRACT INTERPRETATION AND ENFORCEMENT

22.1 Effect of Waivers.

No waiver by us of any breach or a series of breaches of this Agreement shall constitute a waiver of any subsequent breach or waiver of the performance of any of your obligations under this Agreement. Our acceptance of any payment from you or the failure, refusal or neglect by us or you to exercise any right under this Agreement or to insist upon full compliance with our or your obligations under this Agreement or with any specification, standard or operating procedure or rule will not constitute a waiver of any provision of this Agreement.

22.2 Cost of Enforcement.

If we institute any legal or equitable action against you to secure or protect our rights under or to enforce the terms of this Agreement, in addition to any judgment entered in our favor, we shall be entitled to recover such reasonable attorney's fees as we may have incurred together with court costs and expenses of litigation.

22.3 Indemnification of AlignLife.

If we, or any of our subsidiary or affiliated companies (collectively the "AlignLife Companies") are subjected to any claim, demand or penalty or become a party to any suit or other judicial or administrative proceeding by reason of any claimed act or omission by you, your employees or agents, or by reason of any act occurring on the Center premises, or by reason of an omission with respect to the business or operation of the Center including, but not limited to, making a delivery or returning from making a delivery, you shall indemnify and hold the AlignLife Companies and each of them harmless against all judgments, settlements, penalties and expenses, including attorney's fees, court costs and other expenses of litigation or administrative proceeding incurred by or imposed on any of them in connection with the investigation or defense relating to such claim or litigation or administrative proceeding.

22.4 Construction and Severability.

All references in this Agreement to the singular shall include the plural where applicable, and all references to the masculine shall include the feminine and vice-versa. All currency amounts referred to herein shall mean US Dollars unless otherwise specifically stated. If any part of this Agreement for any reason shall be declared invalid and unenforceable, such provision shall be severed (and this shall not

affect the validity of the remaining provisions) or, if possible, modified to best preserve the intentions of the parties and this Agreement, so modified, shall remain in full force and effect. Moreover, any provision not provided for herein, however mandatory pursuant to applicable law, shall be deemed to be part of this Agreement and enforceable.

22.5 Integration and Modification.

This Agreement constitutes the entire agreement between the parties and supersedes all prior and contemporaneous agreements or understandings of the parties, oral or written, regarding the subject matter of this Agreement, including the representations made in the Franchise Disclosure Document. The covenants of shareholders/partners form a part of this Agreement. No modification, waiver, termination, rescission, discharge or cancellation of this Agreement shall affect the right of any party to enforce any claim or right under this Agreement, whether or not liquidated, which occurred prior to the date of such modification, waiver, termination, rescission, discharge or cancellation. This Agreement may not be modified, except in writing, and signed by the authorized representative of the parties, provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by Franchisor in the Disclosure Document that was furnished to Franchisee by Franchisor. The parties hereto agree to make any amendment/ modification required to bring this Agreement in compliance with applicable antitrust laws.

22.6 Applicable Law; Arbitration.

(a) This Agreement will be interpreted and construed under the laws of Illinois. In the event any provision of this Agreement is deemed to be invalid by reason of the operation of any law or statute, or by reason of the interpretation placed thereon by any court or arbitrator, as applicable, the validity, legality, and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby, all of which shall remain in full force and effect. The affected term or provision shall be modified by the parties or if necessary, by the court or arbitrator, to the minimum extent required by law so as to achieve most fully the intention of the parties.

(b) AlignLife reserves the right, at our sole discretion, to refer any dispute, claim or controversy arising out of, or relating to this Agreement, or the making, performance or interpretation of this Agreement to arbitration and such referral will be fully and finally adjudicated settled by arbitration pursuant to the then prevailing rules of the American Arbitration Association, with one arbitrator appointed in accordance with such rules. Unless otherwise mutually agreed in writing by the parties hereto, all arbitration proceedings, and any litigation, shall be conducted in Peoria, Illinois. The award of the arbitrator will be the sole and exclusive remedy between the parties regarding any claims, counterclaims, disputes, issues or accountings presented or pled to the arbitrator; will be promptly paid free of any tax, deduction or offset; and any costs, fees or taxes incident to enforcing the award will, to the maximum extent permitted by law, be charged against the party resisting such enforcement. Judgment upon the award of the arbitration may be entered in the court having jurisdiction thereof, or application may be made to such court for a judicial acceptance of the award or an order of enforcement.

(c) Jurisdiction and Venue. Franchisee hereby agrees that all actions or proceedings initiated by franchisee and arising directly or indirectly out of the Agreement shall be filed or litigated in either the Circuit Court of Cook County, Illinois or in the United States District Court for the Northern District of Illinois, unless otherwise mutually agreed in writing between the parties hereto. Franchisee hereby expressly submits and consents in advance to such jurisdiction in any action or proceeding commenced by AlignLife, and/or removed by AlignLife to any such court(s). Franchisee waives any claim that either the Circuit Court of Cook County, Illinois or the United States District Court for the Northern District of Illinois is an inconvenient forum or an improper forum based on lack of venue. The exclusive choice of forum for Franchisee set forth in this Section shall not be deemed to preclude the

enforcement by AlignLife of any judgment obtained in any other forum, including arbitration, or the taking by AlignLife of any action to enforce the same in any other appropriate jurisdiction, and Franchisee hereby waives the right to collaterally attack any such judgment or action.

(d) Waiver of Right to Jury Trial. AlignLife and Franchisee acknowledge and agree that any controversy which may arise under the Agreement will be based upon difficult and complex issues and, therefore, the parties agree that any lawsuit arising out of any such controversy will be tried in a court of competent jurisdiction by a judge sitting without a jury.

(e) Nothing herein contained shall bar our right to obtain injunctive relief against threatened conduct that will cause us loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions; and you agree to pay all court costs and reasonable attorneys' fees incurred by us in obtaining such relief. At AlignLife's option, and in its sole discretion, AlignLife may initiate legal action in a court of competent jurisdiction to seek immediate, preliminary, or permanent injunctive relief in connection with any violations of the restrictive covenants identified herein, or for any other purpose. AlignLife may, in its sole discretion and without prejudice to any of its legal or equitable rights, pursue damages in the injunction proceeding or refer the damages portion of the case to arbitration.

(f) No Class Actions, Class Arbitrations or Representative Actions. Franchisee acknowledges and agrees that any disputes arising directly or indirectly out of the Agreement is personal to the Franchisee and AlignLife and that such disputes will be resolved solely through an individual proceeding or lawsuits (as provided herein) and will not be brought as a class action, class arbitration or any other type of representative proceeding. Franchisee further agrees there will be no class action or arbitration in which an individual attempts to resolve any dispute as a representative of another Franchisee or group of Franchisees. Finally, Franchisee agrees that a dispute cannot be brought as a class or other type of representative action or on behalf of any other Franchisee(s).

22.7 Notices.

Any notices or other communications to be given under this Agreement shall be in writing, delivered by hand, certified or registered mail, facsimile or courier service to the following address (which may be changed by written notice):

To AlignLife:
ALIGNLIFE SYSTEMS, LLC
4812 N Sheridan Road, Suite A700
Peoria, IL 61614
Tel: (309) 807- 4439
Facsimile: (309) 761- 4161
Attention: Franchise Manager

To Franchisee:
_____
_____
_____
Tel: _____
Facsimile: _____

Notice by mail shall be deemed received on the fifth business day after mailing or upon actual receipt, whichever is earlier.

22.8 Independent Contractors.

You understand and agree that you are and will be our independent contractor under this Agreement. Nothing in this Agreement may be construed to create a partnership, joint venture, agency, employment or fiduciary relationship of any kind. None of your employees will be considered to be our employees. Neither you nor any of your employees whose compensation you pay may in any way, directly or indirectly, expressly or by implication, be construed to be our employee for any purpose, most particularly with respect to any mandated or other insurance coverage, tax or contributions, or requirements pertaining to withholdings, levied or fixed by any city, state or federal governmental agency. We will not have the power to hire or fire your employees. You expressly agree, and will never contend otherwise, that our authority under this Agreement to certify certain of your employees for qualification to perform certain functions for your AlignLife Centers does not directly or indirectly vest in us the power to hire, fire or control any such employee.

You acknowledge and agree, and will never contend otherwise, that you alone will exercise day-to-day control over all operations, activities and elements of your AlignLife Centers and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never contend otherwise, that the various requirements, restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your AlignLife Centers, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your AlignLife Centers.

You may not, without our prior written approval, have any power to obligate us for any expenses, liabilities or other obligations, other than as specifically provided in this Agreement. Except as expressly provided in this Agreement, we may not control or have access to your funds or the expenditure of your funds or in any other way exercise dominion or control over your AlignLife Centers. Except as otherwise expressly authorized by this agreement, neither party 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 party, or represent that the relationship between us and you is other than that of franchisor and franchisee. We do not assume any liability, and will not be considered liable, for any agreements, representations, or warranties made by you which are not expressly authorized under this Agreement. We will not be obligated for any damages to any person or property which directly or indirectly arise from or relate to your operation of the AlignLife Centers.

22.9 Sole and Exclusive Employer of Your Employees

You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us. You further affirm and attest that each of your employees is under the exclusive dominion and control of you and never under the direct or indirect control of us in any fashion whatsoever. You alone hire each of your employees; sets their schedules; establishes their compensation rates; and, pays all salaries, benefits and employment-related liabilities (workers' compensation insurance premiums/payroll taxes/Social Security contributions/unemployment insurance premiums). You alone have the ability to discipline or terminate your employees to the exclusion of us, which has no such authority or ability. You further attest and affirm that any minimum staffing requirements established by us are solely for the purpose of ensuring that your AlignLife Centers is at all times staffed at those levels necessary to operate your AlignLife Centers in conformity with the System and the products, services, standards of quality and efficiency, and other AlignLife brand attributes known to and desired by the consuming public and associated with the Proprietary Marks. You affirm, warrant and understand that you may staff AlignLife Centers with as many employees as you desire at any time so long as our

minimal staffing levels are achieved. You also affirm and attest that any recommendations you may receive from us regarding salaries, hourly wages or other compensation for employees are recommendations only, designed to assist you to efficiently operate your AlignLife Centers, and that you are entirely free to disregard our recommendations regarding such employee compensation. Moreover, you affirm and attest that any training provided by us for your employees is geared to impart to those employees, with your ultimate authority, the various procedures, protocols, systems and operations of AlignLife Centers and in no fashion reflects any employment relationship between us and such employees. Finally, should it ever be asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, including (if necessary) appearing at any venue requested by us to testify on our behalf (and, as may be necessary, submitting itself to depositions, other appearances and/or preparing affidavits dismissive of any allegation that we are the employer, joint employer or co-employer of any of your employees). To the extent we are the only named party in any such investigation, action, proceeding, arbitration or other setting to the exclusion of you, should any such appearance by you be required or requested by us, we will recompense you the reasonable costs associated with your appearing at any such venue.

22.10 You are Not Authorized

You understand and agree that nothing in this Agreement authorizes you or any of the Controlling Principals to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of the Controlling Principals or any claim or judgment arising therefrom.

22.11 Standard of Reasonableness.

Unless otherwise stated in this Agreement, we agree to exercise reasonable judgment with respect to all determinations to be made by us under the terms of this Agreement.

22.12 Acknowledgement.

You acknowledge that you have conducted an independent investigation of the business contemplated by this Agreement and recognize that it involves business risks making the success of the venture largely dependent upon your business abilities. You further acknowledge that you have been advised to consult independent legal counsel with respect to this Agreement as to your rights and obligations hereunder and fully understand the matters contained herein. In addition, you acknowledge that your legal counsel had the opportunity to discuss, modify and negotiate this Agreement with us prior to the execution of this Agreement. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty, assurance or guaranty, express or implied, as to the potential volume, profits or success of the business venture contemplated by this Agreement.

22.13 Binding Effect.

This Agreement is binding upon the parties and their heirs, approved assigns and successors in interest.

22.14 Effective Date of This Agreement.

This Agreement shall be effective as of the date first set forth above.

22.15 Controlling Language.

The parties hereto confirm that it is their wish that this Agreement, as well as all other documents relating hereto, including notices, shall be drawn up in the English language only. This Agreement may

be translated; in case of any difference between the two versions, the English version shall control. All costs in connection with the translation shall be borne by you.

22.16 Governmental Approvals.

Franchisee shall be solely responsible for obtaining all governmental approvals and consents, if any, with respect to this Agreement, including, without limitation, approval(s) of the amount or frequency of franchise and marketing fees payable hereunder, and consent(s) to the wire transfer or other transfer of such fees to an account located outside of the Country in which the Center is located, together with such other approvals or consents as may be necessary with respect to any other provision or provisions of this Agreement. Certified copies of all such approvals and/or consents shall be furnished by Franchisee to us immediately upon their issuance. Franchisee's failure to obtain any such approval or consent and to continue any such approval or consent in full force and effect during the term of this Agreement shall constitute a material breach of this Agreement, entitling us to all of the rights and remedies provided herein upon breach of this Agreement by Franchisee.

22.17 Limitation Upon Commencement of Actions.

Any and all claims and actions arising out of or relating to this Agreement or the relationship of the parties to this Agreement, brought by any party against the other, will be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

22.18 Limitation of Claims.

Each party to this Agreement irrevocably waives to the fullest extent permitted by law any right to, or claim of, any punitive or exemplary damages against the other party, and agrees that in the event of a dispute between the parties each will be limited to the recovery of any actual damages sustained by it.

22.19 Non-exclusivity of Remedies.

No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or equity.

22.20 Personal Guaranty.

Owner(s) shall execute a personal guaranty of performance in the form set forth in Exhibit 1 to this Agreement.

23. FORCE MAJEURE

Neither party shall be in default of its delay in performance or failure to perform any of its obligations hereunder, when and if, the delay or failure, arises from a cause which is beyond the control of the party failing to perform. Such force majeure (which includes, *inter alia*, strikes, acts of God, acts of war, laws and regulations) would suspend the fulfillment of the obligations under this Agreement until it is over. If the force majeure lasts more than one (1) year, AlignLife and Franchisee shall have the right to terminate this Agreement.

The Parties have each caused this Agreement to be executed as of the day and year first above written.

ALIGNLIFE SYSTEMS, LLC	**FRANCHISEE**
By: _____ *(signature)*	By: _____ *(signature)*
(print name and title)	*(print name and title)*
Date	Date

ATTACHMENT 1 TO
ALIGNLIFE FRANCHISE AGREEMENT

GUARANTY, INDEMNIFICATION AND ACKNOWLEDGMENT

As an inducement to AlignLife Systems, LLC ("the Franchisor") to execute the Franchise Agreement between the Franchisor and _____ ("Franchisee") dated _____ (the "Agreement"), the undersigned _____ ("Guarantor(s)"), jointly and severally, hereby unconditionally guaranty to the Franchisor and its successors and assigns that all of Franchisee's obligations under the Agreement will be punctually paid and performed.

Upon demand by the Franchisor, the undersigned will immediately make each payment required of Franchisee under the Agreement. The undersigned hereby waive any right to require the Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guaranty, the Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold the Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned hereby acknowledge and agree to be individually bound by all of the covenants contained Section 20 "Restrictive Covenants" of the Agreement as if each such covenant applicable to Franchisee therein applied to the undersigned individually.

This Guaranty shall terminate upon the termination or expiration of the Agreement or upon the transfer or assignment of the Agreement by Franchisee, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination, expiration, transfer, or assignment shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration, termination, transfer or assignment of the Agreement shall remain in force according to their terms. This Guaranty shall not terminate upon the transfer or assignment of the Agreement or this Guaranty by the Franchisor. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guaranty, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guaranty shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 22 of the Agreement, "Contract Interpretation And Enforcement". This Guaranty shall be interpreted and construed under the laws of the State of Illinois, which laws shall prevail in the event of any conflict of law. The other dispute resolution provisions of Section 22 of the Agreement shall apply to this Guaranty.

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered or certified mail return receipt requested, overnight carrier,

facsimile or by other means which affords the sender evidence of delivery, which shall not include electronic communication, such as e-mail, to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery shall be deemed to have been given at the date and time of receipt, or if delivery is refused, at the time and date of attempted delivery.

Notices to the Franchisor:

ALIGNLIFE SYSTEMS, LLC
4812 N Sheridan Road, Suite A700
Peoria, IL 61614
Tel: (309) 807- 4439
Facsimile: (309) 761- 4146
Attention: Franchise Manager

Copy to:

Andrew Matson, Esq.
Spadea Lignana, LLC
175 Broadhollow Road, Suite 175
Melville, New York 11747
Facsimile: (516)745-0293

Notices to Franchisee:

_____
_____
_____
Tel: _____
Facsimile: _____
Attention: _____

Notice shall be deemed to have been given at the date and time of delivery or of attempted delivery. Each of the undersigned has accepted and has signed this Guaranty as of the date of the Agreement.

GUARANTORS:

_____
Name:

_____
Name:

ATTACHMENT 2 TO
ALIGNLIFE FRANCHISE AGREEMENT

CENTER LOCATION

ATTACHMENT 3 TO
ALIGNLIFE FRANCHISE AGREEMENT
ELECTRONIC FUNDS TRANSFER

ACH AUTHORIZATION FORM

Name of
Franchisee:_____

Address:_____

Phone Number:_____

AUTHORIZATION TO HONOR CHECKS OR ELECTRONIC FUNDS TRANSFER DRAWN BY AND PAYABLE TO ALIGNLIFE SYSTEMS, LLC.

NAME ON ACCOUNT
ROUTING #
BANK ACCOUNT #
FULL NAME OF BANK
STREET ADDRESS
CITY, STATE, ZIP CODE

To the Bank Designated:

You are hereby requested and authorized to honor and to charge to the account described, checks or electronic funds transfer ("EFT") drawn on such accounts which are payable to the above named Payee. The name(s) of the depositor(s) on such checks will be printed by standard business machines. It is agreed that your rights with respect to each such check or EFT shall be the same as if it bore a signature authorized for such account. It is further agreed that if any such check or EFT is not honored, whether with or without cause you shall be under no liability whatsoever. This authorization shall continue in force until revocation in writing is received by you.

FRANCHISEE:

Signature: _____

Name:_____

Date:_____

ATTACHMENT 4 TO
ALIGNLIFE FRANCHISE AGREEMENT

CONVERSION ADDENDUM

This conversion addendum to Franchise Agreement ("Addendum") dated, made and entered into this day of _____, by and between AlignLife Systems, LLC, an Illinois limited liability company with its principal place of business at 4812 N Sheridan Road, Suite A700, Peoria, IL 61614 ("we", "AlignLife" or "us"), and _____, with a mailing address of _____ ("you" or "Conversion Franchisee").

W I T N E S S E T H :

WHEREAS, AlignLife and Conversion Franchisee have this date, _____, entered into a certain franchise agreement (the "Franchise Agreement") for an AlignLife Center located at _____ (the "Approved Location");

WHEREAS, Conversion Franchisee has previously operated a chiropractic practice or wellness center not affiliated with AlignLife at the Approved Location, which practice offered for sale similar services and products to those services and products offered for sale at AlignLife Centers.

WHEREAS, Conversion Franchisee desires to convert Conversion Franchisee's previous chiropractic practice to an AlignLife Center under the AlignLife's System and Proprietary Marks (as those terms are defined in the Franchise Agreement);

WHEREAS, the parties seek to amend the terms of the Franchise Agreement as set forth in this Addendum for the purpose of converting Conversion Franchisee's previous business to an AlignLife Center; and

WHEREAS, Conversion Franchisee has thoroughly reviewed this Addendum, the Franchise Agreement, and AlignLife's Franchise Disclosure Document and has had adequate opportunity to be thoroughly advised of the terms and conditions of those documents; understands and accepts the terms, conditions, and covenants herein contained as being reasonably necessary to maintain AlignLife's high standards of quality, appearance, and service.

NOW, THEREFORE, in consideration of the mutual covenants and commitments herein contained, the parties hereby agree as follows:

1. Sections 8.1 and 8.2 of the Franchise Agreement shall be deleted in their entirety, and the following language shall be substituted in place thereof:

> "8.1 Renovation; Opening. Conversion Franchisee shall renovate or modify, and equip, the AlignLife Center at Conversion Franchisee's own expense in a good, workmanlike manner in compliance with AlignLife's specifications in the three phase process outlined in the Operations Manual. Conversion Franchisee's failure to open the AlignLife Center within the time period specified in the Operations Manual shall be considered a material breach and default under this Agreement and will entitle AlignLife to terminate this Agreement pursuant to Section 18 hereof. The renovation or modification shall conform with all applicable federal, state, and local laws, codes, and regulations, including, without limitation, the applicable provisions of the Americans With Disabilities Act regarding the construction, design and operation of the AlignLife Center, which shall be Conversion Franchisee's sole responsibility.

Notwithstanding the foregoing, you must have all outdoor and indoor signage installed and painting completed by the Construction Completion Date or the date of your grand opening, whichever occurs first, but not later than six (6) months after you have executed this Agreement, if your practice was in operation for less than five (5) years prior to your purchase of the franchise.

"8.2 Before commencing any renovation or modification of the AlignLife Center, AlignLife may, in its sole discretion, require Conversion Franchisee, at its expense, to employ a qualified architect or engineer, if required by law, to prepare preliminary and final architectural and engineering drawings and specifications of the Franchised Business in accordance with AlignLife's standard floor plans, which will be provided to Conversion Franchisee at no cost. Such preliminary and final drawings and specifications, if requested by AlignLife, shall be submitted to AlignLife for its prior written approval. Upon AlignLife's approval, the drawings and specifications shall not thereafter be changed or modified without the prior written approval of AlignLife. In the event AlignLife requires such approval, AlignLife may, in its sole discretion, change the Construction Completion Date to up to six (6) months from the date of this Agreement."

2. This Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed. Unless otherwise defined herein, all defined terms in this Addendum have the same meaning as the defined terms in the Franchise Agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed, and delivered this Addendum on the day and year first above written.

ALIGNLIFE SYSTEMS, LLC	CONVERSION FRANCHISEE
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

ATTACHMENT 5 TO
ALIGNLIFE FRANCHISE AGREEMENT

PROMISSORY NOTE

Date

FOR VALUE RECEIVED, _____ an _____corporation (hereinafter referred to as the "Debtor"), promises to pay to the order of **AlignLife Systems, LLC** (hereinafter referred to as the "Lender"), at 4812 N. Sheridan Rd, Peoria, IL 61614, or such other place as the holder hereof may designate in writing, the principal sum of $_____, plus the interest payments set forth below (_____% interest per annum), in lawful money of the United States, which shall be legal tender in payment of all debts and dues, public and private, at the time of payment as follows:

> Commencing _____ ( ) months from the date of this Promissory Note and continuing on the same month thereafter for a total of 36 months, the Debtor shall make principal and interest payments to the Lender of $_____ per month. Provided, however, in the event any monthly payment shall not be received by the Lender within 3 days of its due date, a late fee of 5% of the unpaid amount shall be assessed, and shall be due and payable immediately.

This Promissory Note may be prepaid, in full or in part, at any time, without the payment of any prepayment fee or penalty. Any partial prepayment shall be applied against the principal amount outstanding and shall not extend or postpone the due date of any subsequent required installment or change the amount of any such installments.

The purpose of this Promissory Note is for the Debtor to pay the remainder of the franchise fee for their franchise. As security for the obligations of the Debtor hereunder, the Debtor's principal, _____ has agreed to execute a personal Guaranty.

All payments received by the holder hereof other than partial prepayments shall first be applied against accrued and unpaid interest and the balance applied against the unpaid principal.

If Debtor shall fail to perform any of Debtor's obligations hereunder, and such failure shall continue after 10 days written notice from Lender, Debtor shall be in default hereunder (hereinafter referred to as a "Default"). During such time as Debtor is in Default hereunder, interest shall continue to accrue on the unpaid principal balance at the rate of ___% per annum, and the holder of this Promissory Note may elect to declare the entire principal of this Promissory Note remaining at the time unmatured, together with the accrued interest thereon, immediately due and payable.

Acceptance by the holder of this Promissory Note of any payment in an amount less than the amount then due shall be deemed an acceptance on account only and the failure to pay the entire amount then due shall be and continue to be a Default hereunder.

Debtor hereby waives presentment for payment, demand, notice of non-payment, notice of protest and protest of this Promissory Note, and diligence in collection or bringing suit.

If Debtor shall default in any of Debtor's obligations hereunder, Debtor shall pay to the holder hereof all costs of collection, including reasonable attorney's fees and court costs incurred by the holder in enforcing collection of this Promissory Note.

This Promissory Note and the terms and provisions herein shall be governed by the laws of the State of Illinois.

IN WITNESS WHEREOF, the undersigned Debtor has duly executed this Promissory Note as of the date set forth at the top right hand corner of the first page of this Promissory Note.

DEBTOR:

_____ an _____ corporation

Signature: _____
Name: _____
Title: _____
Tax ID No. _____
Address: _____

LENDER:

The undersigned Lender hereby acknowledges and agrees that the terms and conditions in this Promissory Note are correct.

_____
AlignLife Systems, LLC

INDIVIDUAL GUARANTY OF PROMISSORY NOTE

In consideration of any financial accommodations previously, now or hereafter made or granted by AlignLife Systems, LLC ("Lender") to or for the account of _____ ("Borrower"), under that certain Promissory Note (the "Note") dated _____, payable by Borrower to Lender, said Note having been delivered in connection with that certain Franchise Agreement between Borrower as Franchisee and Lender as Franchisor dated _____, (the "Franchise Agreement"), and in order to induce Lender to accept the Note from Borrower, _____ ("Principal"), being the _____ [title] and the holder of a majority interest in Borrower, hereby guarantees: (i) the prompt payment to Lender of all sums which may in any manner whatsoever be presently due and owing and of all sums which shall in the future become in any manner whatsoever due and owing to Lender from Borrower under the Note whether by acceleration or otherwise; and (ii) the due performance by Borrower of all its obligations under the Note.

Principal also agrees: (a) that the liability of Principal is DIRECT, ABSOLUTE AND UNCONDITIONAL and may be enforced without (i) requiring Lender first to resort to any other right, remedy or security or (ii) regard to the validity, regularity or enforceability of any obligation or purported obligation of Borrower under the Note or otherwise; (b) that this Guaranty shall not be impaired by any modification or extension of the Note or any other agreement between Borrower and Lender, nor by any modification or release of any of the obligations hereby guaranteed or of any security therefor, nor by any agreement or arrangement whatsoever with Borrower or anyone else; (c) that Principal shall be liable to Lender for all attorneys' fees and costs incurred by Lender by reason of this Guaranty or in connection with or arising out of or in enforcing any rights granted Lender hereunder or in any respect relating to the Note; (d) that Principal shall not have any right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the debts and obligations of Borrower to Lender, unless and until all of Borrower's obligations in respect of the Note have been paid in full; (e) that if Borrower or Principal shall at any time become insolvent or make a general assignment or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by or against Borrower or Principal, any and all obligations of Principal shall, at Lender's option, become immediately due and payable without notice; (f) that this Guaranty is, as to Principal, a continuing Guaranty which shall remain effective until all obligations of Borrower to Lender shall be paid in full; (g) that nothing shall discharge or satisfy the liability of Principal except the full payment and performance of all Borrower's debts and obligations to Lender in respect of the Note; (h) that any and all present and future debts and obligations of Borrower to Principal are hereby waived and postponed in favor of and subordinated to the full payment and performance of all present and future debts and obligations of Borrower to Lender.

Principal warrants and represents to and covenants with Lender that: this Guaranty contains Principal's entire agreement with respect to Principal's guarantee of Borrower's obligations; all prior agreements, commitments, understandings, representations, warranties and negotiations in connection herewith, if any, are hereby merged into this Guaranty; and no oral representations shall in any manner whatsoever modify or explain any of the terms and conditions of this Guaranty. This Guaranty may not be changed or terminated in any manner whatsoever except in writing signed by Principal and Lender.

Principal covenants with Lender that Principal has the full legal right, power and authority to execute this Guaranty; and that none of Principal's obligations hereunder will result in any breach of any provision of any agreement or instrument to which Principal is a party or by which Principal is bound.

PRINCIPAL WAIVES: (a) notice of acceptance hereof; (b) THE RIGHT TO A JURY TRIAL IN ANY ACTION HEREUNDER; (c) presentment, demand and protest of any instrument and notice thereof; (d) notice of default; (e) all other notices or formalities to which Principal is or might be entitled whether by law or otherwise; and (f) all rights of set-off.

Principal's obligations under this Guaranty shall include all amounts paid by or on behalf of Borrower which may be recovered by any person or entity as a preference, fraudulent transfer or conveyance or similar transfer and all of Lender's costs and expenses of the defense of any action for such recovery.

This Guaranty, all acts and transactions hereunder and the rights and obligations of the parties hereto, shall be governed, construed and interpreted according to the laws of the State of Illinois. Principal hereby agrees that all actions or proceedings arising directly or indirectly, in connection with, out of or related to this Guaranty ("Litigation") shall be litigated, in Lender's sole discretion and election, in state and federal courts in Illinois, and Principal hereby subjects himself and consents to the jurisdiction and venue of the federal and state courts located in the State of Illinois, as the exclusive jurisdiction in any action or proceeding brought by Principal arising out of this Guaranty, and any documents or agreements executed in connection therewith, and designates such Courts as the exclusive jurisdiction and the proper venue for any action brought against Principal.

This Guaranty shall be binding upon the successors and assigns of Principal and shall inure to the benefit of Lender's successors and assigns. This Guaranty shall apply in favor of and be jointly and severally enforceable by Lender and each of its affiliates, successors and assigns.

SIGNATURE:_____

PRINT NAME: _____, GUARANTOR

DATE:_____

HOME ADDRESS:_____

_____

_____

EXHIBIT 6 TO
ALIGNLIFE FRANCHISE AGREEMENT

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Area Development Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Area Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur at Peoria, Illinois with the costs being borne by both parties. 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.

7. The Franchise Agreement and Area Development Agreement require application of the laws of Illinois. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. 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.

10. OUR WEBSITE, www.alignlife.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of 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 right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

As an AlignLife Franchisee, you must sell $3,000 worth of nutritional products each quarter.

Payment of the Initial Franchise Fees and Development Fees will be deferred until Franchisor has met its initial obligations to the franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

See the last page of this Exhibit 6 for your required signature.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

   There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby amended.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for AlignLife Systems, LLC's Franchise Disclosure Document and for its Franchise and Area Development Agreements. The amendments to the Franchise and Area Development Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Area Development Agreement which provide for termination upon bankruptcy of the franchisee/area developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Area Development Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees 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."

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

(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 thirty (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 five (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 six (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) 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Area Development Agreement as follows:

1. Item 13 of the Disclosure Document and Article 16 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document, Article 18 of the Franchise Agreement and Article 11 of the Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Article 22 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

6. Article 22 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

7. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

8. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to 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, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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 Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Operator Agreement and Development Agent Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 3 and 21 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 20 of the Franchise Agreement and Article 19 of the Area Development Agreement are amended accordingly.

3. Item 17(u) of the Disclosure Document and Article 22 of the Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 22 of the Franchise Agreement which require jurisdiction of courts in Washington, DC are deleted.

6. Item 17(w) of the Disclosure Document, Article 22 of the Franchise Agreement and Article 17 of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 22 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 22 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for AlignLife Systems, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

In the State of Washington, the collection of initial franchise fee will be deferred until Franchisor has fulfilled its initial pre-opening obligations and the franchisee is open for business.

The State of Washington has a statute, RCW 19.100.180, which 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 involving a franchise purchased in Washington, the arbitration site shall 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.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

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

If you are required to pay the termination fee as stated in 18.1 of the Franchise Agreement you will not be required to pay future revenue resulting from your improper or wrongful breach or other termination of the Franchise Agreement in the State of Washington.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

ATTEST

_____
Witness

ALIGNLIFE SYSTEMS, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____
Witness

_____

ATTACHMENT 6 TO
ALIGNLIFE FRANCHISE AGREEMENT
LEASE RIDER

THIS LEASE RIDER is entered into this _____ day of _____, 20_____ by and between AlignLife Systems, LLC ("Company"), _____ ("Franchisee"), and _____ ("Landlord").

WHEREAS, Company and Franchisee are parties to a Franchise Agreement dated _____, 20_____ (the "Franchise Agreement"); and

WHEREAS, the Franchise Agreement provides that Franchisee will operate an AlignLife Center (the "Franchise Clinic") at a location that Franchisee selects and Company accepts; and

WHEREAS, Franchisee and Landlord propose to enter into the lease to which this Rider is attached (the "Lease"), pursuant to which Franchisee will occupy premises located at (the "Premises") for the purpose of constructing and operating the Franchise Clinic in accordance with the Franchise Agreement; and

WHEREAS, the Franchise Agreement provides that, as a condition to Company's authorizing Franchisee to enter into the Lease, the parties must execute this Lease Rider;

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth in this Rider and in the Franchise Agreement, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. During the term of the Franchise Agreement, Franchisee will be permitted to use the Premises for the operation of the Franchise Clinic and for no other purpose.

2. Subject to applicable zoning laws and deed restrictions and to prevailing community standards of decency, Landlord consents to Franchisee's installation and use of such trademarks, service marks, signs, decor items, color schemes, and related components of the AlignLife system as Company may from time to time prescribe for the Franchise Clinic.

3. AlignLife, as Franchisor, is a third-party beneficiary of the lease agreement and is entitled to enforce on its own behalf the rights given to it in the agreement.

4. Landlord agrees to furnish Company with copies of all letters and notices it sends to Franchisee pertaining to the Lease and the Premises, at the same time it sends such letters and notices to Franchisee.

5. Upon termination of this Franchise Agreement or dissolution of this agreement for any reason, Company shall have the right, but shall not be obligated, to assume Franchisees status and replace Franchisee as lessee, and Franchisee, upon exercise of that right by us, shall be fully released and discharged from all liability for future rent and other lease charges (except for liability for unpaid rent or other lease charges for the period of Franchisee occupancy or any other then existing liability to the lessor under such lease); Landlord consents to such an assignment and agrees not to impose any assignment fee or similar change, or to increase or accelerate rent under the Lease, in connection with such an assignment.

6. Upon termination of the lease or of the franchisee's franchise agreement, the lessee shall remove all identifying signs and trademarks from the premises and if the lessee fails to do so within five (5) calendar days of its last day of active business or of the termination of the lease,

whichever is sooner, Company may remove such signs or marks itself.

7. Company will have the right, without being guilty of trespass or any other crime or tort, to enter the Premises at any time or from time to time (i) to make any modification or alteration it considers necessary to protect the AlignLife system and marks, (ii) to cure any default under the Franchise Agreement or under the Lease, or (iii) to remove the distinctive elements of the AlignLife trade dress upon the Franchise Agreement's expiration or termination. Neither Company nor Landlord will be responsible to Franchisee for any damages Franchisee might sustain as a result of action Company takes in accordance with this provision. Company will repair or reimburse Landlord for the cost of any damage to the Premises' walls, floor or ceiling that result from Company's removal of trade dress items and other property from the Premises.

8. Company shall further have the right to assign the lease to another franchisee upon thirty (30) days' notice to the lessor. Franchisee and the lessor shall complete any required documents and/or formalities to achieve this result.

9. Franchisee may not assign the Lease or sublet the Premises without Company's prior written consent, and Landlord will not consent to an assignment or subletting by Franchisee without first verifying that Company has given its written consent to Franchisee's proposed assignment or subletting.

10. Landlord and Franchisee will not amend or modify the Lease in any manner that could materially affect any of the provisions or requirements of this Lease Rider without Company's prior written consent.

The provisions of this Lease Rider supersede and control conflicting Lease provisions.

Landlord acknowledges that Company is not a party to the Lease and will have no liability or responsibility under the Lease unless and until the Lease is assigned to, and assumed by, Company.

IN WITNESS WHEREOF, the parties have executed this Lease Rider of the date first above written:

COMPANY:

AlignLife, LLC

By: _____

Name: _____

Title: _____

FRANCHISEE:

By: _____

Name: _____

Title: _____

LANDLORD:

By: _____

Name: _____

Title: _____

Attachment 7

INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT

THIS INTERNET ADVERTISING, SOCIAL MEDIA AND TELEPHONE ACCOUNT AGREEMENT (the "Agreement") is made and entered into this day of _____ (the "Effective Date") by and between AlignLife Systems, LLC, an Illinois Limited Liability Company (the "Franchisor"), and _____, a _____ (the "Franchisee").

WHEREAS, Franchisee desires to enter into a franchise agreement with Franchisor for a AlignLife business ("Franchise Agreement") which will allow Franchisee to conduct internet-based advertising, maintain social media accounts, and use telephone listings linked to the AlignLife brand.

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

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

1. Definitions

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

2. Internet Advertising and Telephone Accounts

2.1 Interest in Websites, Social Media Accounts and Other Electronic Listings. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of Franchise Agreement, certain right, title, or interest in and to certain domain names, social media accounts, hypertext markup language, uniform resource locator addresses, access to corresponding internet websites, and the right to hyperlink to certain websites and listings on various internet search engines (collectively, "Electronic Advertising") related to the Franchised Business or the Marks.

2.2 Interest in Telephone Numbers and Listings. Franchisee has or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to those certain telephone numbers and regular, classified, internet page, and other telephone directory listings (collectively, the "Telephone Listings") related to the Franchised Business or the Marks.

2.3 Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately:

2.3.1 direct all internet service providers, domain name registries, internet search engines, social media companies, and other listing agencies (collectively, the "Internet Companies") with which Franchisee has Electronic Advertising: (i) to transfer all of Franchisee's interest in such Electronic Advertising to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Electronic Advertising, Franchisee will immediately direct the Internet Companies to terminate such Electronic Advertising or will take such other actions with respect to the Electronic Advertising as Franchisor directs; and

2.3.2 direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "Telephone Companies") with which Franchisee has Telephone Listings: (i) to transfer all Franchisee's interest in such Telephone Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Listings or will take such other actions with respect to the Telephone Listings as Franchisor directs.

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

2.4.1 Direct the Internet Companies to transfer all Franchisee's interest in and to the Electronic Advertising to Franchisor, or alternatively, to direct the Internet Companies to terminate any or all of the Electronic Advertising;

2.4.2 Direct the Telephone Companies to transfer all Franchisee's interest in and to the Telephone Listings to Franchisor, or alternatively, to direct the Telephone Companies to terminate any or all of the Telephone Listings; and

2.4.3 Execute such standard assignment forms or other documents as the Internet Companies and/or Telephone Companies may require in order to affect such transfers or terminations of Franchisee's interest.

2.5 Certification of Termination. Franchisee hereby directs the Internet Companies and Telephone Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor's written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.6 Cessation of Obligations. After the Internet Companies and the Telephone Companies have duly transferred all Franchisee's interests as described in paragraph 2.3 above to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations with respect to the particular Electronic Advertising and/or Telephone Listing. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Internet Companies and Telephone Companies for the respective sums Franchisee is obligated to pay to them for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such interests, or for any other obligations not subject to the Franchise Agreement or this Agreement.

3. **Miscellaneous**

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Internet Companies and/or Telephone Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown, contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertible in, or in any way related to this Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, claims, demands, or obligations that are related to or are based on this Agreement.

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

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

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Agreement.

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

3.7 Survival. This Agreement shall survive the Termination of the Franchise Agreement.

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

-Remainder of Page Intentionally Blank-

The undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

FRANCHISOR:

AlignLife Systems, LLC

By:_____

_____, _____
(Print Name, Title)

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

PRINCIPAL:

_____

_____
(Print Name)

PRINCIPAL:

_____

_____
(Print Name)

ATTACHMENT 8

FRANCHISEE ACKNOWLEDGEMENT STATEMENT

Franchisee hereby acknowledges the following:

1. Franchisee has conducted an independent investigation of all aspects relating to the financial, operational and other aspects of the business of operating the Franchised Business. Franchisee further acknowledges that, except as may be set forth in Franchisor's Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to Franchisee by Franchisor and Franchisee and any and all Principals hereby waive any claim against Franchisor for any business failure Franchisee\\ may experience as a franchisee under this Agreement.

_____
Initial

2. Franchisee has conducted an independent investigation of the business contemplated by this Agreement and understands and acknowledges that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of Franchisee and its efforts as an independent business operation.

_____
Initial

3. Franchisee agrees that no claims of success or failure have been made to it or him or her prior to signing the Franchise Agreement and that it/she/he understands all the terms and conditions of the Franchise Agreement. Franchisee further acknowledges that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

_____
Initial

4. Franchisee has no knowledge of any representations by Franchisor or its officers, directors, shareholders, employees, sales representatives, agents or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. Franchisee acknowledges that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. Franchisee represents, as an inducement to Franchisor's entry into this Agreement, that it has made no misrepresentations in obtaining the Franchise Agreement.

_____
Initial

5. Franchisor expressly disclaims the making of, and Franchisee acknowledges that it has not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

_____
Initial

6. Franchisee acknowledges that Franchisor's approval or acceptance of Franchisee's Business location does not constitute a warranty, recommendation or endorsement of the location for the Franchised Business, nor any assurance by Franchisor that the operation of the Franchised Business at the premises will be successful or profitable.

_____
Initial

7. Franchisee acknowledges that it has received the AlignLife Systems, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. Franchisee further acknowledges that Franchisee has read such Franchise Disclosure Document and understands its contents.

_____
Initial

8. Franchisee acknowledges that it has had ample opportunity to consult with its own attorneys, accountants and other advisors and that the attorneys for Franchisor have not advised or represented Franchisee with respect to the Franchise Agreement or the relationship thereby created.

_____
Initial

9. Franchisee, together with Franchisee's advisers, has sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the Franchise granted by the Franchise Agreement.

_____
Initial

10. Franchisee is aware of the fact that other present or future franchisees of Franchisor may operate under different forms of agreement(s), and consequently that Franchisor's obligations and rights with respect to its various franchisees may differ materially in certain circumstances.

_____
Initial

11. It is recognized by the parties that Franchisor is also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that Franchisor does not warrant that such products will not be sold within the Franchisee's Territory by others who may have purchased such products from Franchisor.

_____
Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE ALIGNLIFE SYSTEMS, LLC, AND ANY OF ALIGNLIFE SYSTEMS LLC'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

_____
Initial

FRANCHISEE:

_____

By:_____

_____,_____
(Print Name, Title)

Date:_____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

PRINCIPAL:

_____

_____
(Print Name)

Date: _____

Exhibit C to the Disclosure Document

FINANCIAL STATEMENTS

AlignLife Systems, LLC
Peoria, IL

Financial Statements
December 31, 2021 and 2020

ALIGNLIFE SYSTEMS, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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Porterfield & Company CPA, PLLC
accountants • auditors • advisors

INDEPENDENT AUDITOR'S REPORT

To the Members of
AlignLife Systems, LLC
Peoria, IL

We have audited the accompanying financial statements of AlignLife Systems, LLC (a Limited Liability Company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AlignLife Systems, LLC as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AlignLife Systems, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AlignLife Systems, LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of AlignLife Systems, LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AlignLife Systems, LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Porterfield & Company CPA, PLLC
Fayetteville, Arkansas
July 26, 2022

ALIGNLIFE SYSTEMS, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2021 AND 2020

ASSETS

	2021	2020
Current Assets		
Cash and Cash Equivalents	$ 213,649	$ 370,998
Accounts Receivable	386,684	236,161
Deferred Franchise Costs	-	38,000
Current Portion of Notes Receivable	19,113	17,620
Notes Receivable - Related Parties	8,755	78,330
Total Current Assets	628,201	741,109
Property and Equipment		
Property and Equipment at Cost	381,571	338,025
Accumulated Depreciation	(94,982)	(65,840)
Net Property and Equipment	286,589	272,185
Long Term Notes Receivable - Member	32,581	32,581
Notes Receivable, net of Current Portion, Allowance, and Member	25,440	56,386
Total Assets	$ 1,086,083	$ 1,226,601

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Current Liabilities		
Accounts Payable	$ 147,427	$ 55,950
Accrued Expenses	133,253	47,263
Brand Fund	12,326	6,761
Deferred Franchise Fee Revenue	98,000	329,835
Notes Payable - Related Parties	50,473	4,177
Notes Payable - Short-Term	298,522	288,749
Total Current Liabilities	740,001	732,735
Total Liabilities	740,001	732,735
Equity (Deficit)		
Members' Equity (Deficit)	245,618	313,193
Non-Controlling Interests	100,464	180,673
Total Equity (Deficit)	346,082	493,866
Total Liabilities and Equity (Deficit)	$ 1,086,083	$ 1,226,601

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Operating Revenues		
Royalties	$ 825,201	$ 522,713
Franchise Fees	344,415	182,003
Commissions and Other	91,452	75,699
Management Fees from Related Parties	326,356	299,072
Clinics Service Income, net of Cost of Sales of $47,507 and $15,917 for 2021 and 2020, respectively	510,470	258,020
Net Operating Revenue	2,097,894	1,337,507
Operating Expenses	2,195,488	1,406,835
Operating Income (Loss)	(97,594)	(69,328)
Other Income (Expense)		
Interest Income	5,589	3,936
Interest Expense	(5,375)	(747)
Paycheck Protection Program Grant	-	152,812
Other	(40,356)	(7,396)
Total Other Income (Expense)	(40,142)	148,605
Net Income (Loss) Before Non-Controlling Interests	(137,736)	79,277
Less: Net Income (Loss) - Non-Controlling Interests	(80,209)	(50,177)
Net Income (Loss) - AlignLife Systems, LLC	$ (57,527)	$ 129,454

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Members' Equity (Deficit), Beginning of Year	$ 313,193	$ 199,578
Member Distributions	(10,048)	(15,839)
Net Income (Loss) - AlignLife Systems, LLC	(57,527)	129,454
Members' Equity (Deficit), End of Year	$ 245,618	$ 313,193

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
Cash Flows from Operating Activities		
Net Income (Loss)	$ (137,736)	$ 79,277
Amortization	11,492	9,076
Depreciation	29,142	16,037
Changes in Assets and Liabilities:		
Accounts Receivable	(150,523)	(138,363)
Deferred Franchise Costs	38,000	(1,001)
Accounts Payable	91,477	32,280
Accrued Liabilities	85,990	(6,033)
Brand Fund	5,565	(869)
Deferred Franchise Fee Revenue	(231,835)	153,835
Net Cash Provided by (Used in) Operating Activities	(258,428)	144,239
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(43,546)	(277,049)
Purchase of Intangible Assets	(424)	(35,604)
(Increase) Decrease in Notes Receivable - Related Parties	69,575	3,056
(Increase) Decrease in Notes Receivable	29,453	28,530
Net Cash Provided by (Used in) Investing Activities	55,058	(281,067)
Cash Flows from Financing Activities		
Issuance of Notes Payable	31,695	288,749
Payment of Notes Payable	(21,922)	-
Increase (Decrease) in Notes Payable - Related Parties	46,296	(59,220)
Contributions by Non-Controlling Interests	-	230,850
Member Distributions	(10,048)	(15,839)
Net Cash Provided by (Used in) Financing Activities	46,021	444,540
Increase (Decrease) in Cash and Cash Equivalents	(157,349)	307,712
Cash and Cash Equivalents, Beginning of Year	370,998	63,286
Cash and Cash Equivalents, End of Year	$ 213,649	$ 370,998
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest	$ 5,375	$ 747

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

AlignLife Systems, LLC (the Company) an Illinois limited liability company, has operations located in central Illinois. The Company grants franchisees the right to operate "AlignLife Centers" which feature and offer for sale to the public: chiropractic adjustment, rehabilitation, nutritional counseling, a weight loss program, wellness laboratory profiles, health workshops and selected supplements, orthotics and other health-related retail items. The initial term of the franchise agreement is for a ten-year period with an option to renew by the franchisee. The agreement grants an exclusive territory agreed upon by the Company and the franchisee. The agreement also establishes the amount of royalty and marketing fees and other charges to be paid by the franchisee. The Company provides initial training of employees prior to opening and additional operating guidance as necessary.

For financial reporting purposes the Company includes all funds over which the Company's management exercises financial accountability.

In 2020, the Company acquired majority interest in Align Management Spartanburg, LLC. Profits and losses are allocated in a ratio of 51% and 49% between the Company and WKJC, LLC, respectively.

In, 2020, the Company acquired majority interest in Align Management Raleigh, LLC. Profits and losses are allocated in a ratio of 53%, 26% and 21% between the Company, Cliff Fisher, DC, and Even Crowley, DC, respectively.

In 2020, the Company acquired majority interest in Align Management Charleston, LLC. Profits and losses are allocated in a ratio of 51% and 49% between the Company and Thomas Mercante, DC, respectively.

In 2020, the Company opened a new clinic named AlignLife of Bloomington. The Company owns 100% interest in the clinic. During 2021, the company closed operations of Alignlife Bloomington.

Franchises

The franchise activity for the year ended December 31, 2021 and 2020 were as follows:

	2021	2020
Operating at beginning of period	26	20
Franchises acquired	0	0
Franchises opened	9	6
Franchises closed	2	0
Operating at end of period	33	26
Franchises sold but not yet operational	1	9

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in income. Leasehold improvements are amortized using the straight-line method over the lesser of the terms of the lease or the estimated lives of the improvements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Accounts Receivable

Accounts receivable represent amounts due from franchisees for royalty fees, initial franchise fees and brand funds. Royalty and marketing fees require payment within one week of the franchisee's collection of payment for services rendered to the patient. The Company generally does not charge interest on overdue accounts. The Company considers a reserve for doubtful accounts based on the creditworthiness of the franchisee. The reserve for doubtful accounts is continually reviewed and adjusted to maintain the reserve at a level considered adequate to cover future losses.

The reserve is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. The Company determined that a reserve for doubtful account was not necessary as of December 31, 2021 and 2020.

Notes Receivable

Notes receivable represent amounts due from former franchisees as part of a settlement agreement and from franchisees for initial franchise fees. Interest income is recognized over the lives of the notes receivable. Notes receivable are written off or reduced by an allowance for note losses when deemed to be uncollectible. The allowance is determined on an individual note basis if it is probable that the Company will not collect all principal and interest contractually due. When assessing the credit quality of the franchisees, the company considers the franchisee's financial condition, historical payment patterns, contractual obligations as required by the terms of the loans and the franchisee's source of funds for repayment of the loans in considering the probability of default.

The allowance for doubtful accounts is continually reviewed and adjusted to maintain the reserve at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. The Company does not accrue interest when a loan is in doubt, all cash receipts on impaired loans are applied to reduce the principal amount of such loans until the principal is recovered and are recognized as interest income thereafter. The Company resumes accrual of interest when it is probable that the Company will collect the remaining principal and interest of an impaired loan. Recoveries of notes receivable previously written off are recorded when received..

Deferred Franchise Costs

The Company incurs commissions in connection with the sale of franchise agreements. These commissions are deferred and recognized in operating expenses when the related revenue for the sale of the franchise agreement is recognized.

Intangible Assets

The Company has intangible assets that are amortized on a straight-line basis over their estimated useful lives of 15 years. The intangible assets are the Company's trademark and a license to use a library of resources for training purposes. The Company purchased this license from The Remarkable Practice during the year ended December 31, 2015, for $135,000. The Company had amortization expense related to intangible assets of $11,492 and $9,076 during the years ended December 31, 2021 and 2020, respectively. Accumulated amortization at December 31, 2021 and 2020 was $58,901 and $47,408 respectively. Estimated aggregate annual amortization expense on intangible assets for the next two years is $11,490 per year and 11,420 for the three years after.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Impairment of Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets to be held and used may not be recoverable. There were no impairment losses taken for the years ended December 31, 2021 and 2020.

Brand Fund

The Company has established a brand fund for regional and national marketing and advertising services offered by franchisees. As stipulated in the typical franchise agreement, the franchisees will pay, in addition to the royalty fee, a marketing fee of 4% to 5% of weekly gross sales or a minimum of $375 per week. The Company is to segregate the marketing funds collected and use the funds for specific purposes. The revenue, expenses and cash flows of the brand fund are not included in the Company's statements of operations or cash flows because the contributions are designated for specific purposes and the Company acts as an agent, in substance, with regard to these contributions. Amounts collected in excess of marketing expenditures are included in restricted cash on the balance sheets of the Company. For the years ended December 31, 2021 and 2020, the Company has expended $922,295 and $543,183, respectively, of the marketing fund collections from the franchisees, which exceeded the amount of marketing funds collected.

Revenue and Cost Recognition

The Company generates revenues through franchise fees, royalty fees, and commissions from vendors.

Initial Franchise Fees

The Company requires the entire initial franchise fee to be paid upon execution of the franchise agreement, which has an initial term of ten years. Initial franchise fees received from a franchise are recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement, which is generally upon the opening of a location.

Until revenue is recognized for initial franchise fees, the amounts are deferred and recorded as deferred revenue on the accompanying balance sheets as of December 31, 2021 and 2020.

Royalties

Once a franchisee is opened, the Company collects on a weekly royalty fee, as stipulated in the franchise agreement, equal to a designated percentage of the franchisee's gross collections for the week. Royalties are recognized as revenue when earned.

Franchise Transfer Fees

Franchise transfer fees are paid as consideration for the same rights and services as the initial fee. Franchise transfer fees are recognized when a former franchisee transfers ownership of their location to a new franchisee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Commissions

Commissions are received from certain suppliers based on franchisees purchases of products and services from approved manufacturers, suppliers, and distributors and are recognized as revenue upon receipt.

Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

Certain minor reclassifications of prior year data have been made in order to enhance the comparability with the current year presentation.

Income Taxes

The Company has elected to be treated as a pass-through entity for income tax purposes and, as such, will not be subject to income taxes. Rather, all items of taxable income, deductions and tax credits will be passed through to and reported by its members on their respective income tax returns. The Company's tax status as a pass-through entity is based on its legal status as a limited liability company. The Company files tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure.

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), with several subsequent amendments, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. Originally, the ASU was to be adopted for annual reporting periods beginning after December 15, 2018. In April 2020, FASB delayed franchisor implementation of the ASU. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The Financial Accounting Standards Board has issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. The standard's core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

NOTE 2 - NOTES RECEIVABLE

Notes receivable consist of the following as of December 31, 2021 and 2020:

	2021	2020
Note receivable due from former franchisee of $115,000 as part of a settlement agreement, monthly payments of $1.909 including interest at 3.5% through September 2020 and interest at 8% from October 2020 through September 2024, unsecured.	$ 54,368	$ 74,006
Total Notes Receivable	54,368	74,006
Less: Current Portion	(19,113)	(17,620)
Long-Term Portion	35,255	56,386
Less: Allowance for Doubtful Accounts	(9,815)	-
Net Long-Term Notes Receivable	$ 25,440	$ 56,386

The Company's credit quality indicator for notes receivable is the notes' payment status.

The following table provides an analysis of the payment status of the recorded investment in notes receivable as of December 31, 2021 and 2020:

	2021	2020
Current	$ 54,368	$ 74,006
30-59 days past due	-	-
60-89 days past due	-	-
Past due 90 days or more	-	-
	$ 54,368	$ 74,006

Once a note receivable is considered past due it stops accruing interest. As of December 31, 2021 and 2020, there were no notes on non-accrual status.

Future minimum payments of notes receivable are as follows:

Years Ending December 31,	
2022	$ 19,113
2023	20,672
2024	14,582
Total	$ 54,368

NOTE 3 - NOTES RECEIVABLE FROM MEMBER

In 2018, the Company entered into two note receivable agreements from a member totaling $32,581. Both notes have a maturity date of 2021, bear no interest, and are unsecured. In 2021 the maturity date of the notes were extended by 2 years.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Property and Equipment	Balance 12/31/20	Additions (Provision)	Retirements	Balance 12/31/21
Furniture and Fixtures	$ 163,645	$ 18,930	$ -	$ 182,575
Computer Software	334	-	-	334
Leasehold Improvements	174,046	24,616	-	198,662
Total	338,025	43,546	-	381,571
Accumulated Depreciation	(65,840)	(29,142)	-	(94,982)
Net Property and Equipment	$ 272,185	$ 14,404	$ -	$ 286,589

Property and Equipment	Balance 12/31/19	Additions (Provision)	Retirements	Balance 12/31/20
Furniture and Fixtures	$ 30,922	$ 132,723	$ -	$ 163,645
Computer Software	334	-	-	334
Leasehold Improvements	29,720	144,326	-	174,046
Total	60,976	277,049	-	338,025
Accumulated Depreciation	(49,803)	(16,037)	-	(65,840)
Net Property and Equipment	$ 11,173	$ 261,012	$ -	$ 272,185

Depreciation expense was $29,142 and $16,037 for the years ended December 31, 2021 and 2020, respectively.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

The Company leases office and clinic space from various parties. Details of the lease agreements are as follows:

The Company leases corporate office facilities requiring monthly rental payments of $4,600 per month. As part of the Company's management agreement with one of its related party entities (Note 6), a portion of the rent is paid by the related party. Future minimum lease payments under the lease agreement as of December 31, 2021 total $27,600 due in 2022. Total rental expense for the corporate office, which includes common area maintenance charges, was approximately $25,000 and $29,000 for the years ended December 31, 2021 and 2020, respectively.

The Company leases the clinic used in its Spartanburg location requiring monthly rental payments of $1,000 per month. Future minimum lease payments under the lease agreement as of December 31, 2021 total $8,000 due in 2022. Total rental expense for the Spartanburg clinic, was approximately $16,000 for both years ended December 31, 2021 and 2020.

The Company is a guarantor for the lease of the clinic used in its Raleigh location, requiring monthly rental payments of $2,873 and increasing in subsequent years. Future minimum lease payments under the lease agreement as of December 31, 2021 total $36,220 in 2022, $37,304 in 2023, $38,425 in 2024, and $12,934 in 2025. Total rental expense for the Raleigh clinic, was approximately $45,000 and $17,000 for the years ended December 31, 2021 and 2020 respectively.

NOTE 5 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

The Company assumed the lease of the clinic used in its Charleston location, requiring monthly rental payments of $2,000. Continuing lease obligations are month-to-month cancelable with 90 day written notice. Total rental expense for the Charleston clinic, was approximately $23,000 and $14,000 for the years ended December 31, 2021 and 2020 respectively.

NOTE 6 - RELATED PARTY TRANSACTIONS

Aceva, LLC (Aceva; formerly known as Align Life Nutraceuticals, LLC) is an approved supplier of the Company's franchisees that provides high potency clinical nutrition. Aceva is a related party to the Company due to common ownership.

The Company has a management fee agreement with Aceva. The management fee agreement includes reimbursement for Company employees who provided services to the related party entities. The management fee reimbursed the Company for payroll, benefits and administrative expenses incurred by the Company related to these employees. Also, included in the management fee were reimbursements for rent, telephone and cell phone expenses and other miscellaneous office expenses. For the years ended December 31, 2021 and 2020, management fees, marketing services fees and rent earned from Aceva was $83,004 and $89,647, respectively.

For the years ended December 31, 2021 and 2020, receivables from/(payables to) Aceva were $(10,380) and $51,536, respectively.

As of December 31, 2021 and 2020, respectively, the Company had approximately $54,000 and $4,000 of related party payables to the members for accrued distributions, guaranteed payments and other amounts that are included in related party payables.

NOTE 7 - PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS

During the year ended 2020, the Company received a loan from Chase Bank in the amount of $152,812 under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 7 months from the date of the note.

Funds from the loan could only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations incurred. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Company used the entire loan amount for qualifying expenses during the specified timeframe and the entire loan was officially forgiven.

Management determined that, in accordance with International Accounting Standard (IAS) 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the Company met the conditions of the loan forgiveness by incurring the eligible expenses in the specified timeframe. The Company received forgiveness of the PPP loan in 2020, and recognized the proceeds as other income on the statement of operations during the year ended December 31, 2020. The related expenses were also recorded on the statement of operations during the year ended December 31, 2020.

NOTE 8 - MEMBERS' OPERATING AGREEMENTS

The Company operates under an Operating Agreement (the "OA") with its members. The OA, as amended, defines, among other things, the Company's purpose and terms with its members including: initial capital accounts determination and maintenance thereafter, additional capital contributions of members, allocation of profits and losses, cash flow distributions and liquidation and dissolution distributions, transfer of ownership interest and withdrawals of members, voting rights and Manager powers, authority and governance. The manager and the members shall not be liable, responsible, or accountable, in damages or otherwise, to any member of to the Company for any omission or any act performed by them within the scope of the authority conferred upon them by the OA, except for fraud, gross negligence, an intentional breach of the OA, or as otherwise required by the act. The term of the LLC shall continue perpetually, unless its existence is sooner terminated pursuant to terms specified in the OA.

Rights of first refusal: If a member offers to sell all or part of their membership units to a non-member,

the non-selling member(s) have the first option right, but not the obligation, to purchase such units at the price agreed to with the non-member. The Company has the second option right, but not the obligation, to purchase such units at the price agreed to with the non-member. Unless otherwise agreed to by the selling member, the combination of units purchased by the non-selling member(s) and the Company under the rights of first refusal must be all of the selling member's offered units.

Death or incompetency of a member: Upon the death or incompetency of a member, the legal representative as defined in the agreement of the former member can elect to either continue to hold the former member's interest subject to the OA or to tender to the Company any or all of the units. Upon offer, the units become mandatorily redeemable by the Company at the appraised value by an independent appraiser as further defined in the OA.

NOTE 9 - LITIGATION

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. The Company does not believe that the outcome of those matters will have a material adverse effect on the Company's financial position, operating results or cash flow. However, there can be no assurance such legal proceedings will not have a material impact.

During the year ended December 31, 2018, the Company was involved in a lawsuit with a few of its franchises related to potential violation of franchise laws. During 2017, the Company settled one lawsuit through arbitration in its favor and was awarded a settlement of $55,000 that was received during the year December 31, 2018. During 2018, the Company settled in its favor with six other franchisees and was awarded settlements of $725,148, of which $397,000 was received in 2018 and promissory notes were executed in the amount of $328,148 (Note 2) for the remaining payments, as negotiated as part of the arbitration hearings.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that subject the Company to potential concentrations of credit risk consist principally of cash. The Company maintains its cash in bank accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

NOTE 11 - RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company's patients, franchisees, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may permanently impact the Company's financial condition or results of operations is uncertain.

NOTE 12 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 26, 2022, the date on which the financial statements were available to be issued.

AlignLife Systems, LLC
Peoria, IL

Financial Statements
December 31, 2020 and 2019

ALIGNLIFE SYSTEMS, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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Porterfield & Company CPA, PLLC
accountants • auditors • advisors

INDEPENDENT AUDITORS' REPORT

To the Members of
AlignLife Systems, LLC
Peoria, IL

We have audited the accompanying financial statements of AlignLife Systems, LLC (a Limited Liability Company), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AlignLife Systems, LLC as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Porterfield & Company CPA, PLLC

Porterfield & Company CPA, PLLC

Harrison, Arkansas
June 14, 2021

ALIGNLIFE SYSTEMS, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2020 AND 2019

ASSETS

	2020	2019
Current Assets		
Cash and Cash Equivalents	$ 370,998	$ 63,286
Accounts Receivable	236,161	97,798
Deferred Franchise Costs	38,000	36,999
Current Portion of Notes Receivable, net of Allowance	17,620	29,072
Notes Receivable - Member	32,581	32,581
Notes Receivable - Related Parties	78,330	81,386
Total Current Assets	773,690	341,122
Property and Equipment		
Property and Equipment at Cost	338,025	60,976
Accumulated Depreciation	(65,840)	(49,803)
Net Property and Equipment	272,185	11,173
Notes Receivable, net of Current Portion and Allowance	56,386	73,464
Intangible Assets, net	124,340	97,812
Total Assets	$ 1,226,601	$ 523,571

LIABILITIES AND MEMBERS' EQUITY (DEFICIT)

Current Liabilities		
Accounts Payable	$ 55,950	$ 23,670
Accrued Expenses	47,263	53,296
Brand Fund	6,761	7,630
Deferred Franchise Fee Revenue	329,835	176,000
Notes Payable - Related Parties	4,177	63,397
Notes Payable - Short-Term	288,749	-
Total Current Liabilities	732,735	323,993
Total Liabilities	732,735	323,993
Equity (Deficit)		
Members' Equity (Deficit)	313,193	199,578
Non-Controlling Interests	180,673	-
Total Equity (Deficit)	493,866	199,578
Total Liabilities and Equity (Deficit)	$ 1,226,601	$ 523,571

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Operating Revenues		
Royalties	$ 522,713	$ 439,872
Franchise Fees	182,003	48,750
Commissions and Other	75,699	58,475
Management Fees from Related Parties	299,072	315,596
Clinics Service Income, net of Cost of Sales of $15,917 for 2020 and $0 for 2019	258,020	-
Net Operating Revenue	1,337,507	862,693
Operating Expenses	1,406,835	998,731
Operating Income (Loss)	(69,328)	(136,038)
Other Income (Expense)		
Interest Income	3,936	9,839
Interest Expense	(747)	(1,371)
Paycheck Protection Program Grant	152,812	-
Other	(7,396)	(15,503)
Total Other Income (Expense)	148,605	(7,035)
Net Income (Loss) Before Non-Controlling Interests	79,277	(143,073)
Less: Net Income (Loss) - Non-Controlling Interests	(50,177)	-
Net Income (Loss) - AlignLife Systems, LLC	$ 129,454	$ (143,073)

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Members' Equity (Deficit), Beginning of Year	$ 199,578	$ 342,651
Member Distributions	(15,839)	-
Net Income (Loss) - AlignLife Systems, LLC	129,454	(143,073)
Members' Equity (Deficit), End of Year	$ 313,193	$ 199,578

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities		
Net Income (Loss)	$ 79,277	$ (143,073)
Amortization	9,076	9,076
Depreciation	16,037	9,240
Changes in Assets and Liabilities:		
Accounts Receivable	(138,363)	(47,387)
Deferred Franchise Costs	(1,001)	(24,999)
Accounts Payable	32,280	8,884
Accrued Liabilities	(6,033)	14,694
Brand Fund	(869)	2,606
Deferred Franchise Fee Revenue	153,835	137,000
Deferred Rent	-	(4,167)
Net Cash Provided by (Used in) Operating Activities	144,239	(38,126)
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(277,049)	(5,875)
Purchase of Intangible Assets	(35,604)	-
(Increase) Decrease in Notes Receivable - Member	-	-
(Increase) Decrease in Notes Receivable - Related Parties	3,056	(62,351)
(Increase) Decrease in Notes Receivable	28,530	96,438
Net Cash Provided by (Used in) Investing Activities	(281,067)	28,212
Cash Flows from Financing Activities		
Principal Payments on Long-Term Debt	-	(54,948)
Issuance of Notes Payable	288,749	-
Increase (Decrease) in Notes Payable - Related Parties	(59,220)	33,591
Contributions by Non-Controlling Interests	230,850	-
Member Distributions	(15,839)	-
Net Cash Provided by (Used in) Financing Activities	444,540	(21,357)
Increase (Decrease) in Cash and Cash Equivalents	307,712	(31,271)
Cash and Cash Equivalents, Beginning of Year	63,286	94,557
Cash and Cash Equivalents, End of Year	$ 370,998	$ 63,286
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest	$ 747	$ 1,371

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

AlignLife Systems, LLC (the Company) an Illinois limited liability company, has operations located in central Illinois. The Company grants franchisees the right to operate "AlignLife Centers" which feature and offer for sale to the public: chiropractic adjustment, rehabilitation, nutritional counseling, a weight loss program, wellness laboratory profiles, health workshops and selected supplements, orthotics and other health-related retail items. The initial term of the franchise agreement is for a ten-year period with an option to renew by the franchisee. The agreement grants an exclusive territory agreed upon by the Company and the franchisee. The agreement also establishes the amount of royalty and marketing fees and other charges to be paid by the franchisee. The Company provides initial training of employees prior to opening and additional operating guidance as necessary.

For financial reporting purposes the Company includes all funds over which the Company's management exercises financial accountability.

In 2020, the Company acquired majority interest in Align Management Spartanburg, LLC. Profits and losses are allocated in a ratio of 51% and 49% between the Company and WKJC, LLC, respectively.

In, 2020, the Company acquired majority interest in Align Management Raleigh, LLC. Profits and losses are allocated in a ratio of 53%, 26% and 21% between the Company, Cliff Fisher, DC, and Even Crowley, DC, respectively.

In 2020, the Company acquired majority interest in Align Management Charleston, LLC. Profits and losses are allocated in a ratio of 51% and 49% between the Company and Thomas Mercante, DC, respectively.

In 2020, the Company opened a new clinic named AlignLife of Bloomington. The Company owns 100% interest in the clinic.

Franchises

The franchise activity for the year ended December 31, 2020 and 2019 were as follows:

	2020	2019
Operating at beginning of period	20	20
Franchises acquired	0	0
Franchises opened	6	1
Franchises closed	0	1
Operating at end of period	26	20
Franchises sold but not yet operational	9	6

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in income. Leasehold improvements are amortized using the straight-line method over the lesser of the terms of the lease or the estimated lives of the improvements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Accounts Receivable

Accounts receivable represent amounts due from franchisees for royalty fees, initial franchise fees and brand funds. Royalty and marketing fees require payment within one week of the franchisee's collection of payment for services rendered to the patient. The Company generally does not charge interest on overdue accounts. The Company considers a reserve for doubtful accounts based on the creditworthiness of the franchisee. The reserve for doubtful accounts is continually reviewed and adjusted to maintain the reserve at a level considered adequate to cover future losses.

The reserve is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. The Company determined that a reserve for doubtful account was not necessary as of December 31, 2020 and 2019.

Notes Receivable

Notes receivable represent amounts due from former franchisees as part of a settlement agreement and from franchisees for initial franchise fees. Interest income is recognized over the lives of the notes receivable. Notes receivable are written off or reduced by an allowance for note losses when deemed to be uncollectible. The allowance is determined on an individual note basis if it is probable that the Company will not collect all principal and interest contractually due. When assessing the credit quality of the franchisees, the company considers the franchisee's financial condition, historical payment patterns, contractual obligations as required by the terms of the loans and the franchisee's source of funds for repayment of the loans in considering the probability of default.

The allowance for doubtful accounts is continually reviewed and adjusted to maintain the reserve at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. The Company does not accrue interest when a loan is in doubt, all cash receipts on impaired loans are applied to reduce the principal amount of such loans until the principal is recovered and are recognized as interest income thereafter. The Company resumes accrual of interest when it is probable that the Company will collect the remaining principal and interest of an impaired loan. Recoveries of notes receivable previously written off are recorded when received. During the years ended December 31, 2020 and 2019, the Company wrote off $0 and $57,655, respectively. The Company determined that an allowance for note losses of $0 and $57,655 was necessary as of December 31, 2020 and 2019, respectively.

Deferred Franchise Costs

The Company incurs commissions in connection with the sale of franchise agreements. These commissions are deferred and recognized in operating expenses when the related revenue for the sale of the franchise agreement is recognized.

Intangible Assets

The Company has intangible assets that are amortized on a straight-line basis over their estimated useful lives of 15 years. The intangible assets are the Company's trademark and a license to use a library of resources for training purposes. The Company purchased this license from The Remarkable Practice during the year ended December 31, 2015, for $135,000. The Company had amortization expense related to intangible assets of $9,076 and $9,076 during the years ended December 31, 2020 and 2019, respectively. Accumulated amortization at December 31, 2020 and 2019 was $47,408 and $38,332, respectively. Estimated aggregate annual amortization expense on intangible assets for the next three years is $11,450 per year, the fourth year is $11,380, and the fifth year is $11,374.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Impairment of Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets to be held and used may not be recoverable. There were no impairment losses taken for the years ended December 31, 2020 and 2019.

Deferred Rent

The Company records landlord allowances for leasehold improvements in deferred rent. These amounts are amortized on a straight-line basis as a reduction of rent expense from the date the Company takes control of the premises.

Brand Fund

The Company has established a brand fund for regional and national marketing and advertising services offered by franchisees. As stipulated in the typical franchise agreement, the franchisees will pay, in addition to the royalty fee, a marketing fee of 4% to 5% of weekly gross sales or a minimum of $375 per week. The Company is to segregate the marketing funds collected and use the funds for specific purposes. The revenue, expenses and cash flows of the brand fund are not included in the Company's statements of operations or cash flows because the contributions are designated for specific purposes and the Company acts as an agent, in substance, with regard to these contributions. Amounts collected in excess of marketing expenditures are included in restricted cash on the balance sheets of the Company. For the years ended December 31, 2020 and 2019, the Company has expended $543,183 and $375,133, respectively, of the marketing fund collections from the franchisees, which exceeded the amount of marketing funds collected.

Revenue and Cost Recognition

The Company generates revenues through franchise fees, royalty fees, and commissions from vendors.

Initial Franchise Fees

The Company requires the entire initial franchise fee to be paid upon execution of the franchise agreement, which has an initial term of ten years. Initial franchise fees received from a franchise are recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement, which is generally upon the opening of a location.

Until revenue is recognized for initial franchise fees, the amounts are deferred and recorded as deferred revenue on the accompanying balance sheets as of December 31, 2020 and 2019.

Royalties

Once a franchisee is opened, the Company collects on a weekly royalty fee, as stipulated in the franchise agreement, equal to a designated percentage of the franchisee's gross collections for the week. Royalties are recognized as revenue when earned.

Franchise Transfer Fees

Franchise transfer fees are paid as consideration for the same rights and services as the initial fee. Franchise transfer fees are recognized when a former franchisee transfers ownership of their location to a new franchisee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Commissions

Commissions are received from certain suppliers based on franchisees purchases of products and services from approved manufacturers, suppliers, and distributors and are recognized as revenue upon receipt.

Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

Certain minor reclassifications of prior year data have been made in order to enhance the comparability with the current year presentation.

Income Taxes

The Company has elected to be treated as a pass-through entity for income tax purposes and, as such, will not be subject to income taxes. Rather, all items of taxable income, deductions and tax credits will be passed through to and reported by its members on their respective income tax returns. The Company's tax status as a pass-through entity is based on its legal status as a limited liability company. The Company files tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure.

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), with several subsequent amendments, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. Originally, the ASU was to be adopted for annual reporting periods beginning after December 15, 2018. In April 2020, FASB delayed franchisor implementation of the ASU. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The Financial Accounting Standards Board has issued Accounting Standards Update ("ASU") No. 2016-02, *Leases*. The standard's core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

NOTE 2 - NOTES RECEIVABLE

Notes receivable consist of the following as of December 31, 2020 and 2019:

	2020	2019
Notes receivable due from franchisees for initial franchise fees, monthly payments, maturing through December 2020, unsecured.	$ -	$ 6,719
Note receivable due from former franchisee of $115,000 as part of a settlement agreement, monthly payments of $1.909 including interest at 3.5% through September 2020 and interest at 8% from October 2020 through September 2024, unsecured.	74,006	91,470
Note receivable due from former franchisee of $100,000 as part of a settlement agreement, monthly payments of $2,358 including interest at 8% through May 2020, unsecured.	-	62,002
Total Notes Receivable	74,006	160,191
Less: Current Portion	(17,620)	(29,072)
Long-Term Portion	56,386	131,119
Less: Allowance for Doubtful Accounts	-	(57,655)
Net Long-Term Notes Receivable	$ 56,386	$ 73,464

The Company's credit quality indicator for notes receivable is the notes' payment status.

The following table provides an analysis of the payment status of the recorded investment in notes receivable as of December 31, 2020 and 2019:

	2020	2019
Current	$ 74,006	$ 160,191
30-59 days past due	-	-
60-89 days past due	-	-
Past due 90 days or more	-	-
	$ 74,006	$ 160,191

Once a note receivable is considered past due it stops accruing interest. As of December 31, 2020 and 2019, there were no notes on non-accrual status.

Activity in the allowance for note receivable loss account and the ending balances for notes receivable based on impairment method, for the year ended December 31, 2020 and 2019, are as follows:

	2020	2019
Allowance for note losses:		
Beginning Balance	$ -	$ -
Charge-offs	-	-
Recoveries	-	-
Provision	-	57,655
	$ -	$ 57,655
Notes receivable:		
Individually evaluated for impairment	$ 74,006	$ 57,655
Collectively evaluated for impairment	-	102,536
	$ 74,006	$ 160,191

As of December 31, 2020 and 2019, management determined that an allowance related to the notes receivable was necessary for $0 and $57,655, respectively.

NOTE 2 - NOTES RECEIVABLE, (Continued)

Future minimum payments of notes receivable are as follows:

Years Ending December 31,	
2021	$ 17,620
2022	19,113
2023	20,672
2024	16,601
Total	$ 74,006

NOTE 3 - NOTES RECEIVABLE FROM MEMBER

In 2018, the Company entered into two note receivable agreements from a member totaling $32,581. Both notes are due in 2021, bear no interest, and are unsecured.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Property and Equipment	Balance 12/31/19	Additions (Provision)	Retirements	Balance 12/31/20
Furniture and Fixtures	$ 30,576	$ 132,723	$ -	$ 163,299
Computer Software	680	-	-	680
Leasehold Improvements	29,720	144,326	-	174,046
Total	60,976	277,049	-	338,025
Accumulated Depreciation	(49,803)	(16,037)	-	(65,840)
Net Property and Equipment	$ 11,173	$ 261,012	$ -	$ 272,185

Property and Equipment	Balance 12/31/18	Additions (Provision)	Retirements	Balance 12/31/19
Furniture and Fixtures	$ 24,701	$ 5,875	$ -	$ 30,576
Computer Software	680	-	-	680
Leasehold Improvements	29,720	-	-	29,720
Total	55,101	5,875	-	60,976
Accumulated Depreciation	(40,563)	(9,240)	-	(49,803)
Net Property and Equipment	$ 14,538	$ (3,365)	$ -	$ 11,173

Depreciation expense was $16,037 and $9,240 for the years ended December 31, 2020 and 2019, respectively.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

Beginning July 1, 2016, the Company renewed its lease for its corporate office facilities requiring monthly rental payments of $4,750 for the period July 1, 2016 through June 30, 2017, $4,821 for the period July 1, 2017 through June 30, 2018, $4,893 for the period July 1, 2018 through June 30, 2019, and $4,600 for the period July 1, 2019 through June 30, 2022. As part of the Company's management agreement with one of its related party entities (Note 6), a portion of the rent is paid by the related party. Future minimum lease payments under the lease agreement as of December 31, 2020 total $20,416 due in 2021.

Total rental expense, which includes common area maintenance charges, was approximately $29,000 and $28,000 for the years ended December 31, 2020 and 2019, respectively. Total rent expense was reduced by amortization of deferred rent related to tenant improvements reimbursed by the landlords. Amortization of deferred rent not included in minimum annual lease payments of rent expense above was $0 and $4,167 for the years ended December 31, 2020 and 2019, respectively.

NOTE 6 - RELATED PARTY TRANSACTIONS

Aceva, LLC (Aceva; formerly known as Align Life Nutraceuticals, LLC) is an approved supplier of the Company's franchisees that provides high potency clinical nutrition. Aceva is a related party to the Company due to common ownership.

The Company has a management fee agreement with Aceva. The management fee agreement includes reimbursement for Company employees who provided services to the related party entities. The management fee reimbursed the Company for payroll, benefits and administrative expenses incurred by the Company related to these employees. Also, included in the management fee were reimbursements for rent, telephone and cell phone expenses and other miscellaneous office expenses. For the years ended December 31, 2020 and 2019, management fees, marketing services fees and rent earned form Aceva was $89,647 and $169,000, respectively.

For the years ended December 31, 2020 and 2019, receivables/(payables) from/(to) Aceva was $51,536 and $68,558, respectively.

As of December 31, 2020 and 2019, respectively, the Company had approximately $4,000 and $63,000 of related party payables to the members for accrued distributions, guaranteed payments and other amounts that are included in related party payables.

NOTE 7 - MEMBERS' OPERATING AGREEMENTS

The Company operates under an Operating Agreement (the "OA") with its members. The OA, as amended, defines, among other things, the Company's purpose and terms with its members including: initial capital accounts determination and maintenance thereafter, additional capital contributions of members, allocation of profits and losses, cash flow distributions and liquidation and dissolution distributions, transfer of ownership interest and withdrawals of members, voting rights and Manager powers, authority and governance. The manager and the members shall not be liable, responsible, or accountable, in damages or otherwise, to any member of to the Company for any omission or any act performed by them within the scope of the authority conferred upon them by the OA, except for fraud, gross negligence, an intentional breach of the OA, or as otherwise required by the act. The term of the LLC shall continue perpetually, unless its existence is sooner terminated pursuant to terms specified in the OA.

Rights of first refusal: If a member offers to sell all or part of their membership units to a non-member, the non-selling member(s) have the first option right, but not the obligation, to purchase such units at the price agreed to with the non-member. The Company has the second option right, but not the obligation, to purchase such units at the price agreed to with the non-member. Unless otherwise agreed to by the selling member, the combination of units purchased by the non-selling member(s) and the Company under the rights of first refusal must be all of the selling member's offered units.

Death or incompetency of a member: Upon the death or incompetency of a member, the legal representative as defined in the agreement of the former member can elect to either continue to hold the former member's interest subject to the OA or to tender to the Company any or all of the units. Upon offer, the units become mandatorily redeemable by the Company at the appraised value by an independent appraiser as further defined in the OA.

NOTE 8 - LITIGATION

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. The Company does not believe that the outcome of those matters will have a material adverse effect on the Company's financial position, operating results or cash flow. However, there can be no assurance such legal proceedings will not have a material impact.

During the year ended December 31, 2018, the Company was involved in a lawsuit with a few of its franchises related to potential violation of franchise laws. During 2017, the Company settled one lawsuit through arbitration in its favor and was awarded a settlement of $55,000 that was received during the year December 31, 2018. During 2018, the Company settled in its favor with six other franchisees and was awarded settlements of $725,148, of which $397,000 was received in 2018 and promissory notes were executed in the amount of $328,148 (Note 2) for the remaining payments, as negotiated as part of the arbitration hearings.

NOTE 9 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that subject the Company to potential concentrations of credit risk consist principally of cash. The Company maintains its cash in bank accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

NOTE 10 - RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout the United States. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company's patients, franchisees, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may permanently impact the Company's financial condition or results of operations is uncertain.

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 14, 2021, the date on which the financial statements were available to be issued.

AlignLife Systems, LLC
Peoria, IL

Financial Statements
December 31, 2019 and 2018

ALIGNLIFE SYSTEMS, LLC
FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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Porterfield & Company CPA, PLLC
accountants • auditors • advisors

INDEPENDENT AUDITORS' REPORT

To the Member of
AlignLife Systems, LLC
Peoria, IL

We have audited the accompanying financial statements of AlignLife Systems, LLC (a Limited Liability Company), which comprise the balance sheet as of December 31, 2019, and the related statements of operations, member's equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AlignLife Systems, LLC as of December 31, 2019, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of AlignLife Systems, LLC as of and for the year ended December 31, 2018, were audited by other auditors whose report dated April 28, 2019 expressed an unmodified opinion on those statements. Accordingly, we do not express an opinion on the financial statements as of and for the year ended December 31, 2018 or the related notes to the financial statements for that period.

Porterfield & Company CPA, PLLC

Harrison, Arkansas
June 2, 2020

ALIGNLIFE SYSTEMS, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
Current Assets		
Cash and Cash Equivalents	$ 63,286	$ 94,557
Accounts Receivable	97,798	50,411
Deferred Franchise Costs	36,999	12,000
Current Portion of Notes Receivable, net of Allowance	29,072	43,860
Notes Receivable - Member	32,581	32,581
Notes Receivable - Related Parties	81,386	19,035
Total Current Assets	341,122	252,444
Property and Equipment		
Property and Equipment at Cost	60,976	55,101
Accumulated Depreciation	(49,803)	(40,563)
Net Property and Equipment	11,173	14,538
Notes Receivable, net of Current Portion and Allowance	73,464	155,114
Intangible Assets, net	97,812	106,888
Total Assets	$ 523,571	$ 528,984

LIABILITIES AND MEMBER'S EQUITY (DEFICIT)

Current Liabilities		
Accounts Payable	$ 23,670	$ 14,786
Accrued Expenses	53,296	38,602
Brand Fund	7,630	5,024
Deferred Franchise Fee Revenue	176,000	39,000
Notes Payable - Related Parties	63,397	29,806
Current Portion of Deferred Rent	-	4,167
Current Portion of Long-Term Debt	-	38,690
Total Current Liabilities	323,993	170,075
Long-Term Liabilities		
Long-Term Debt, net of Current Portion	-	16,258
Total Long-Term Liabilities	-	16,258
Total Liabilities	323,993	186,333
Member's Equity (Deficit)	199,578	342,651
Total Liabilities and Member's Equity (Deficit)	$ 523,571	$ 528,984

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Operating Revenues		
Royalties	$ 439,872	$ 371,693
Franchise Fees	48,750	48,750
Commissions and Other	58,475	46,348
Management Fees from Related Parties	315,596	346,857
Net Operating Revenue	862,693	813,648
Operating Expenses	998,731	1,012,058
Operating Income (Loss)	(136,038)	(198,410)
Other Income (Expense)		
Interest Income	9,839	14,217
Interest Expense	(1,371)	(4,598)
Settlement Fees from Lawsuit	-	725,148
Other	(15,503)	(5,936)
Total Other Income (Expense)	(7,035)	728,831
Net Income (Loss)	$ (143,073)	$ 530,421

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF MEMBER'S EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Member's Equity (Deficit), Beginning of Year	$ 342,651	$ (187,770)
Net Income (Loss)	(143,073)	530,421
Member's Equity (Deficit), End of Year	$ 199,578	$ 342,651

See notes to financial statements.

ALIGNLIFE SYSTEMS, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
Cash Flows from Operating Activities		
Net Income (Loss)	$ (143,073)	$ 530,421
Amortization	9,076	9,076
Depreciation	9,240	13,409
Issuance of Notes Receivable	-	(328,148)
Changes in Assets and Liabilities:		
Accounts Receivable	(47,387)	(43,236)
Deferred Franchise Costs	(24,999)	(7,000)
Accounts Payable	8,884	(104,700)
Accrued Liabilities	14,694	(1,693)
Brand Fund	2,606	2,002
Deferred Franchise Fee Revenue	137,000	-
Deferred Rent	(4,167)	(8,333)
Net Cash Provided by (Used in) Operating Activities	(38,126)	61,798
Cash Flows from Investing Activities		
Purchases of Property and Equipment	(5,875)	(5,490)
(Increase) Decrease in Notes Receivable - Member	-	(32,581)
(Increase) Decrease in Notes Receivable - Related Parties	(62,351)	6,502
(Increase) Decrease in Notes Receivable	96,438	135,086
Net Cash Provided by (Used in) Investing Activities	28,212	103,517
Cash Flows from Financing Activities		
Principal Payments on Long-Term Debt	(54,948)	(71,461)
Increase (Decrease) in Notes Payable - Related Parties	33,591	(69,983)
Net Cash Provided by (Used in) Financing Activities	(21,357)	(141,444)
Increase (Decrease) in Cash and Cash Equivalents	(31,271)	23,871
Cash and Cash Equivalents, Beginning of Year	94,557	70,686
Cash and Cash Equivalents, End of Year	$ 63,286	$ 94,557
SUPPLEMENTARY INFORMATION		
Cash Paid for Interest	$ 1,371	$ 4,598

See notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

AlignLife Systems, LLC (the Company) an Illinois limited liability company, has operations located in central Illinois. The Company grants franchisees the right to operate "AlignLife Centers" which feature and offer for sale to the public: chiropractic adjustment, rehabilitation, nutritional counseling, a weight loss program, wellness laboratory profiles, health workshops and selected supplements, orthotics and other health-related retail items. The initial term of the franchise agreement is for a ten-year period with an option to renew by the franchisee. The agreement grants an exclusive territory agreed upon by the Company and the franchisee. The agreement also establishes the amount of royalty and marketing fees and other charges to be paid by the franchisee. The Company provides initial training of employees prior to opening and additional operating guidance as necessary.

The franchise activity for the year ended December 31, 2019 and 2018 were as follows:

	2019	2018
Operating at beginning of period	20	26
Franchises acquired	0	0
Franchises opened	1	0
Franchises closed	1	6
Operating at end of period	20	20
Franchises sold but not yet operational	6	2

Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid investments with original maturities of three months or less to be cash.

Accounts Receivable

Accounts receivable represent amounts due from franchisees for royalty fees, initial franchise fees and brand funds. Royalty and marketing fees require payment within one week of the franchisee's collection of payment for services rendered to the patient. The Company generally does not charge interest on overdue accounts. The Company considers a reserve for doubtful accounts based on the creditworthiness of the franchisee. The reserve for doubtful accounts is continually reviewed and adjusted to maintain the reserve at a level considered adequate to cover future losses.

The reserve is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. The Company determined that a reserve for doubtful account was not necessary as of December 31, 2019 and 2018.

Notes Receivable

Notes receivable represent amounts due from former franchisees as part of a settlement agreement and from franchisees for initial franchise fees. Interest income is recognized over the lives of the notes receivable. Notes receivable are written off or reduced by an allowance for note losses when deemed to be uncollectible. The allowance is determined on an individual note basis if it is probable that the Company will not collect all principal and interest contractually due. When assessing the credit quality of the franchisees, the company considers the franchisee's financial condition, historical payment patterns, contractual obligations as required by the terms of the loans and the franchisee's source of funds for repayment of the loans in considering the probability of default.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Notes Receivable, (Continued)

The allowance for doubtful accounts is continually reviewed and adjusted to maintain the reserve at a level considered adequate to cover future losses. The allowance is management's best estimate of uncollectible amounts and is determined based on specific identification and historical performance that are tracked by the Company on an ongoing basis. The losses ultimately could differ materially in the near term from the amounts estimated in determining the allowance. The Company does not accrue interest when a loan is in doubt, all cash receipts on impaired loans are applied to reduce the principal amount of such loans until the principal is recovered and are recognized as interest income thereafter. The Company resumes accrual of interest when it is probable that the Company will collect the remaining principal and interest of an impaired loan. Recoveries of notes receivable previously written off are recorded when received. During the years ended December 31, 2019 and 2018, the Company wrote off $57,655 and $0, respectively. The Company determined that an allowance for note losses of $57,655 and $0 was necessary as of December 31, 2019 and 2018, respectively.

Deferred Franchise Costs

The Company incurs commissions in connection with the sale of franchise agreements. These commissions are deferred and recognized in operating expenses when the related revenue for the sale of the franchise agreement is recognized.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. When items of property or equipment are sold or retired, the related cost and accumulated depreciation and amortization are removed from the accounts and any gain or loss is included in income. Leasehold improvements are amortized using the straight-line method over the lesser of the terms of the lease or the estimated lives of the improvements.

Intangible Assets

The Company has intangible assets that are amortized on a straight-line basis over their estimated useful lives of 15 years. The intangible assets are the Company's trademark and a license to use a library of resources for training purposes. The Company purchased this license from The Remarkable Practice during the year ended December 31, 2015, for $135,000. The Company had amortization expense related to intangible assets of $9,076 and $9,076 during the years ended December 31, 2019 and 2018, respectively. Accumulated amortization at December 31, 2019 and 2018 was $38,332 and $29,256, respectively. Estimated aggregate annual amortization expense on intangible assets for the next four years is $9,076 per year and for the fifth year is $9,008.

Impairment of Long-Lived Assets

The Company reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets to be held and used may not be recoverable. There were no impairment losses taken for the years ended December 31, 2019 and 2018.

Deferred Rent

The Company records landlord allowances for leasehold improvements in deferred rent. These amounts are amortized on a straight-line basis as a reduction of rent expense from the date the Company takes control of the premises.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Brand Fund

The Company has established a brand fund for regional and national marketing and advertising services offered by franchisees. As stipulated in the typical franchise agreement, the franchisees will pay, in addition to the royalty fee, a marketing fee of 4% to 5% of weekly gross sales or a minimum of $375 per week. The Company is to segregate the marketing funds collected and use the funds for specific purposes. The revenue, expenses and cash flows of the brand fund are not included in the Company's statements of operations or cash flows because the contributions are designated for specific purposes and the Company acts as an agent, in substance, with regard to these contributions. Amounts collected in excess of marketing expenditures are included in restricted cash on the balance sheets of the Company. For the years ended December 31, 2019 and 2018, the Company has expended $375,133 and $369,895, respectively, of the marketing fund collections from the franchisees, which exceeded the amount of marketing funds collected.

Revenue and Cost Recognition

The Company generates revenues through franchise fees, royalty fees, and commissions from vendors.

Initial Franchise Fees

The Company requires the entire initial franchise fee to be paid upon execution of the franchise agreement, which has an initial term of ten years. Initial franchise fees received from a franchise are recognized as revenue when the Company has performed substantially all initial services required by the franchise agreement, which is generally upon the opening of a location.

Until revenue is recognized for initial franchise fees, the amounts are deferred and recorded as deferred revenue on the accompanying balance sheets as of December 31, 2019 and 2018.

Royalties

Once a franchisee is opened, the Company collects on a weekly royalty fee, as stipulated in the franchise agreement, equal to a designated percentage of the franchisee's gross collections for the week. Royalties are recognized as revenue when earned.

Franchise Transfer Fees

Franchise transfer fees are paid as consideration for the same rights and services as the initial fee. Franchise transfer fees are recognized when a former franchisee transfers ownership of their location to a new franchisee.

Commissions

Commissions are received from certain suppliers based on franchisees purchases of products and services from approved manufacturers, suppliers, and distributors and are recognized as revenue upon receipt.

Use of Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Comparative Data

Certain minor reclassifications of prior year data have been made in order to enhance the comparability with the current year presentation.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)

Income Taxes

The Company has elected to be treated as a pass-through entity for income tax purposes and, as such, will not be subject to income taxes. Rather, all items of taxable income, deductions and tax credits will be passed through to and reported by its members on their respective income tax returns. The Company's tax status as a pass-through entity is based on its legal status as a limited liability company. Accordingly, the Company is not required to take any tax positions in order to qualify as a pass-through entity. The Company is required to file and does not file tax returns with the Internal Revenue Service and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the Company has no other tax positions which must be considered for disclosure.

New Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), with several subsequent amendments, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. Originally, the ASU was to be adopted for annual reporting periods beginning after December 15, 2018. In April 2020, FASB delayed franchisor implementation of the ASU for one year. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

The Financial Accounting Standards Board has issued Accounting Standards Update ("ASU") No. 2016-02, Leases. For nonpublic companies, the standard must be adopted for annual reporting periods beginning after December 15, 2019. The standard's core principle is the recognition of lease assets and lease liabilities by lessees for substantially all leases, including those currently classified as operating leases. Under the ASU, a lessee will be required to recognize assets and liabilities for operating and finance leases with terms of more than 12 months. Management is currently in the process of evaluating the impact of adoption of this ASU on the financial statements.

NOTE 2 - NOTES RECEIVABLE

Notes receivable consist of the following as of December 31, 2019 and 2018:

	2019	2018
Notes receivable due from franchisees for initial franchise fees, monthly payments, maturing through December 2020, unsecured.	$ 6,719	$ 2,210
Note receivable due from former franchisee of $115,000 as part of a settlement agreement, monthly payments of $1.909 including interest at 3.5% through September 2020 and interest at 8% from October 2020 through September 2024, unsecured.	91,470	112,390
Note receivable due from former franchisee of $100,000 as part of a settlement agreement, monthly payments of $2,358 including interest at 8% through May 2020, unsecured.	62,002	84,374
Total Notes Receivable	160,191	198,974
Less: Current Portion	(48,942)	(43,860)
Long-Term Portion	111,249	155,114
Less: Allowance for Doubtful Accounts	(37,785)	-
Net Long-Term Notes Receivable	$ 73,464	$

NOTE 2 - NOTES RECEIVABLE, (Continued)

The Company's credit quality indicator for notes receivable is the notes' payment status.

The following table provides an analysis of the payment status of the recorded investment in notes receivable as of December 31, 2019 and 2018:

	2019	2018
Current	$ 160,191	$ 198,974
30-59 days past due	-	-
60-89 days past due	-	-
Past due 90 days or more	-	-
	$ 160,191	$ 198,974

Once a note receivable is considered past due it stops accruing interest. As of December 31, 2019 and 2018, there were no notes on non-accrual status.

Activity in the allowance for note receivable loss account and the ending balances for notes receivable based on impairment method, for the year ended December 31, 2019 and 2018, are as follows:

	2019	2018
Allowance for note losses:		
Beginning Balance	$ -	$ -
Charge-offs	-	-
Recoveries	-	-
Provision	57,655	-
	$ 57,655	$ -
Notes receivable:		
Individually evaluated for impairment	$ 57,655	$ -
Collectively evaluated for impairment	102,536	198,974
	$ 160,191	$ 198,974

As of December 31, 2019 and 2018, management determined that an allowance related to the notes receivable was necessary for $57,655 and $0, respectively.

Future minimum payments of notes receivable are as follows:

Years Ending December 31,	
2020	$ 48,942
2021	43,846
2022	30,673
2023	20,672
2024	16,058
	$ 160,191

NOTE 3 - NOTES RECEIVABLE FROM MEMBER

In 2018, the Company entered into two note receivable agreements from a member totaling $32,581. Both notes are due in 2020, bear no interest, and are unsecured.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

Property and Equipment	Balance 12/31/18	Additions (Provision)	Retirements	Balance 12/31/19
Furniture and Fixtures	$ 24,701	$ 5,875	$ -	$ 30,576
Computer Software	680	-	-	680
Leasehold Improvements	29,720	-	-	29,720
Total	55,101	5,875	-	60,976
Accumulated Depreciation	(40,563)	(9,240)	-	(49,803)
Net Property and Equipment	$ 14,538	$ (3,365)	$ -	$ 11,173

Property and Equipment	Balance 12/31/17	Additions (Provision)	Retirements	Balance 12/31/18
Furniture and Fixtures	$ 19,211	$ 5,490	$ -	$ 24,701
Computer Software	680	-	-	680
Leasehold Improvements	29,720	-	-	29,720
Total	49,611	5,490	-	55,101
Accumulated Depreciation	(27,154)	(13,409)	-	(40,563)
Net Property and Equipment	$ 22,457	$ (7,919)	$ -	$ 14,538

Depreciation expense was $9,240 and $13,409 for the years ended December 31, 2019 and 2018, respectively.

NOTE 5 - NOTES PAYABLE

Notes payable at December 31, 2019 and 2018 consists of the following:

	2019	2018
Note payable to Morton Community Bank of $180,139; requiring payments of $3,364 per month including interest at 4.5%; loan matures on May 2020; collateralized by substantially all assets of the Company and guaranteed by the majority member and a related party entity, Aceva, LLC.	$ -	$ 54,948
Total Long-Term Note Payable	-	54,948
Current Portion	-	(38,690)
Long-Term Note Payable	$ -	$ 16,258

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Beginning July 1, 2016, the Company renewed its lease for its corporate office facilities requiring monthly rental payments of $4,750 for the period July 1, 2016 through June 30, 2017, $4,821 for the period July 1, 2017 through June 30, 2018, $4,893 for the period July 1, 2018 through June 30, 2019, and $4,600 for the period July 1, 2019 through June 30, 2022. As part of the Company's management agreement with two of its related party entities (Note 7), a portion of the rent is paid by these related parties. Future minimum lease payments under the lease agreement as of December 31, 2019 total $20,416 due in 2020.

Total rental expense, which includes common area maintenance charges, was approximately $28,000 and $61,000 for the years ended December 31, 2019 and 2018, respectively. Total rent expense is reduced by amortization of deferred rent related to tenant improvements reimbursed by the landlords. Amortization of deferred rent not included in minimum annual lease payments of rent expense above was $4,167 and $8,400 for the years ended December 31, 2019 and 2018, respectively.

NOTE 7 - RELATED PARTY TRANSACTIONS

VitaLogics, LLC (VitaLogics) is the approved supplier of the required electronic medical record (EMR) software which has been customized for AlignLife Centers, as well as a video production kit. VitaLogics was a related party to the Company due to common ownership through September 2018, at which point it was sold to a third party.

Aceva, LLC (Aceva; formerly known as Align Life Nutraceuticals, LLC) is an approved supplier of the Company's franchisees that provides high potency clinical nutrition. Aceva is a related party to the Company due to common ownership.

Health Missions (HM) is a not-for-profit organization that occasionally receives funding from the Company to further HM's purpose of providing a natural health care via mission trips domestically and internationally. HM was founded by two of the Company's members and is a related party, as two of the Company's members are HM's board of directors. During the years ended December 31, 2019 and 2018, the Company did not record donation expense to HM. The Company shares office space with HM. HM reimbursed the Company $3,200 and $7,500 for rent during the years ended December 31, 2019 and 2018, respectively.

The Company had a management fee agreement with VitaLogics and Aceva. The management fee agreement included reimbursement for Company employees who provided services to the related party entities. The management fee reimbursed the Company for payroll, benefits and administrative expenses incurred by the Company related to these employees. Also, included in the management fee were reimbursements for rent, telephone and cell phone expenses and other miscellaneous office expenses.

For the years ended December 31, 2019 and 2018, management fees, marketing services fees and rent earned form each related party was approximately as follows:

	2019	2018
VitaLogics	$ -	$ 164,000
Aceva	169,000	179,000
Health Missions	7,200	3,500
	$ 176,200	$ 524,000

For the years ended December 31, 2019 and 2018, receivables/(payables) from/(to) each related party were approximately as follows:

	2019	2018
VitaLogics	$ -	$ 100
Aceva	81,386	19,000
Health Missions	-	-
	$ 81,386	$ 19,100

As of December 31, 2019 and 2018, respectively, the Company had approximately $63,000 and $30,000 of related party payables to the members for accrued distributions, guaranteed payments and other amounts that are included in related party payables.

NOTE 8 - MEMBERS' OPERATING AGREEMENTS

The Company operates under an Operating Agreement (the "OA") with its members. The OA, as amended, defines, among other things, the Company's purpose and terms with its members including: initial capital accounts determination and maintenance thereafter, additional capital contributions of members, allocation of profits and losses, cash flow distributions and liquidation and dissolution distributions, transfer of ownership interest and withdrawals of members, voting rights and Manager powers, authority and governance. The manager and the members shall not be liable, responsible, or accountable, in damages or otherwise, to any member of to the Company for any omission or any act performed by them within the scope of the authority conferred upon them by the OA, except for fraud, gross negligence, an intentional breach of the OA, or as otherwise required by the act. The term of the LLC shall continue perpetually, unless its existence is sooner terminated pursuant to terms specified in the OA.

Rights of first refusal: If a member offers to sell all or part of their membership units to a non-member, the non-selling member(s) have the first option right, but not the obligation, to purchase such units at the price agreed to with the non-member. The Company has the second option right, but not the obligation, to purchase such units at the price agreed to with the non-member. Unless otherwise agreed to by the selling member, the combination of units purchased by the non-selling member(s) and the Company under the rights of first refusal must be all of the selling member's offered units.

Death or incompetency of a member: Upon the death or incompetency of a member, the legal representative as defined in the agreement of the former member can elect to either continue to hold the former member's interest subject to the OA or to tender to the Company any or all of the units. Upon offer, the units become mandatorily redeemable by the Company at the appraised value by an independent appraiser as further defined in the OA.

NOTE 9 - LITIGATION

The Company is subject to legal proceedings and claims that arise in the ordinary course of business. The Company does not believe that the outcome of those matters will have a material adverse effect on the Company's financial position, operating results or cash flow. However, there can be no assurance such legal proceedings will not have a material impact.

During the year ended December 31, 2018, the Company was involved in a lawsuit with a few of its franchises related to potential violation of franchise laws. During 2017, the Company settled one lawsuit through arbitration in its favor and was awarded a settlement of $55,000 that was received during the year December 31, 2018. During 2018, the Company settled in its favor with six other franchisees and was awarded settlements of $725,148, of which $397,000 was received in 2018 and promissory notes were executed in the amount of $328,148 (Note 2) for the remaining payments, as negotiated as part of the arbitration hearings.

NOTE 10 - CONCENTRATIONS OF CREDIT RISK

Financial instruments that subject the Company to potential concentrations of credit risk consist principally of cash. The Company maintains its cash in bank accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash balances.

NOTE 11 - SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on the Company's franchisees and their patients, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations is uncertain.

Management has evaluated subsequent events through June 2, 2020, the date on which the financial statements were available to be issued.

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT.

PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES

SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT

HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION

WITH REGARD TO THE CONSENT OR FORM.

AlignLife Systems LLC

Balance Sheet

As of September 27, 2022

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1005 ALS Operating Fund 2096	7,992.83
1055 ALS Patient Marketing Fund 1965	-9,737.16
1060 Franchise Sales & Marketing Budgets	2,906.40
1060a ALS Department Budgets	2,000.00
1063 Franchise Marketing Budget - ALSMF	0.00
Total 1060a ALS Department Budgets	**2,000.00**
1080 ALS Savings/Escrow Account	-13,670.25
1081 Ad Spend Clearing	0.00
1082 Training Escrow	11,504.06
1083 General Savings NEW	27,723.25
1085 Pelham Falls Transfer Fee	-2,254.40
1089x Rodriquez Franchise Fee	1,578.00
1090 Niday Franchise Fee	2,664.86
1091 Martinez Franchise Fee	2,568.16
1095 Baker Franchise Fee	1,064.17
1097 Nigeria Project	13,397.29
1101 Coraliz Excer Franchise Fee	78.00
1102 Hoskins Franchise Fee	1,051.30
1108 Suliveres / Saunders Franchise Fee	1,475.00
1109 Newburg Franchise Fee Escrow	-245.00
1110 Lessard Franchise Fee	18,500.00
Total 1080 ALS Savings/Escrow Account	**65,434.44**
Total Bank Accounts	**$68,596.51**
Accounts Receivable	
1100 Accounts Receivable	331,109.47
1105 Allowance for Doubtful Accounts	-9,815.28
1115 Mgt Inc Receivable from Rel Par	0.00
Total Accounts Receivable	**$321,294.19**
Other Current Assets	
1200 Undeposited Funds	0.00
1216 Initial Investment - Centrum	123,300.00
1217 Initial Investment - Bloomington	25,851.19
1218 Initial Investment - Tyvola	12,000.00
1400 Prepaid Expenses	0.00
1505 Capitalized Franchise Cost	0.00
Total Other Current Assets	**$161,151.19**
Total Current Assets	**$551,041.89**

AlignLife Systems LLC

Balance Sheet

As of September 27, 2022

	TOTAL
Fixed Assets	
1600 Computer Software	334.36
1605 Hardware Equipment	47,143.09
1615 Leasehold Improvements	29,720.00
1620 Furniture and Equipment	504.64
1700 Accumulated Deprciation	-105,038.45
Total Fixed Assets	**$ -27,336.36**
Other Assets	
1800 Trademark	1,144.00
1805 Accumulated Amortization	-65,707.71
1810 Other Short Term Loans	24,045.23
1815 Intangible Assets/Remarkable Practice	135,000.00
1820 Security Deposits	2,800.00
1850 Franchisee Loans	
1851 MP MP Acct - Current Franchise Notes Receivable	19,113.36
1852 MP Long-term Notes Receivable Offset	-19,113.36
1869 Gobal Heal Chiropractic	40,916.69
1872 Align Management Raleigh Loan	87,907.00
Total 1850 Franchisee Loans	**128,823.69**
1900 Reserve for Uncollectible Notes	0.00
Total Other Assets	**$226,105.21**
TOTAL ASSETS	**$749,810.74**
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	117,142.87
Total Accounts Payable	**$117,142.87**
Credit Cards	
2152 Southwest Visa - Marketing	0.00
2154 Best Buy	0.00
2155 AMEX (5005) - FSM	4,555.68
2156 AMEX (2008) - Patient Marketing	20,574.39
2157 AMEX 82003 - Bonvoy Travel	55.19
2158 AMEX (1019) - NEW Ops Card	10,814.50
2158. SW Patient Marketing (1364)	0.00
2159 VISA Patient Marketing (7552)	35,440.77

AlignLife Systems LLC

Balance Sheet

As of September 27, 2022

	TOTAL
Total Credit Cards	**$71,440.53**
Other Current Liabilities	
2202 Direct Deposit Liabilities	0.00
2205 Deferred Marketing A/R	3,882.60
2206 Loan Dr. Joe Esposito	-32,581.00
2207 Loan from Dr. C. Esposito	13,915.49
2208 Deferred Rent - TI Allowance	25,000.00
2209 Digital Ad Clearing	-7,738.31
2210 MP - Accrued Vacation	24,751.40
2211 MP - Accrued Payroll	34,912.40
2212 MP - Accrued Sales Commissions	0.00
2213 MP - Accrued Rent	0.00
2215 Marketing Funds Restricted Liab	0.00
2240 Accrued Distributions - CE	0.00
2241 Accrued Distributions - JE	0.00
2245 Accrued Guaranteed Payments - CE	-654.82
2246 Accrued Guaranteed Payments - JE	1,908.90
2247 Accrued Guaranteed Pmnt - JC	6,151.77
2248 Due to Franson	-20,275.00
2290 Refundable Advances	0.00
2311 Due To/From Corporate Clinics	-14,150.00
2315 Due To/From Aceva	-74,770.51
2320 Due To/From- ALSM	0.00
2520 Deferred Revenue	98,000.00
Total Other Current Liabilities	**$58,352.92**
Total Current Liabilities	**$246,936.32**
Long-Term Liabilities	
2500 Long Term Liabilities	
2506 Loan from Spartanburg Investors	0.00
2508 EIDL Loan	135,391.18
2510 Loan From Bryne Willey	26,812.95
Total 2500 Long Term Liabilities	**162,204.13**
Total Long-Term Liabilities	**$162,204.13**
Total Liabilities	**$409,140.45**
Equity	
3001 Members Draw - JE	-394,658.79
3002 Members Draw - CE	-116,454.87
3003 Member's Draw - Clarino	-382.00
3004 Member's Draw - Franson	-765.00
3100 Capital Contribution - JE	160,680.51
3101 Capital Contribution - CE	13,720.01

AlignLife Systems LLC

Balance Sheet

As of September 27, 2022

	TOTAL
3102 Capital Contribution - Clarino	75,000.00
3103 Capital Contribution - Franson	150,000.00
3200 Members Equity	521,036.39
3250 Distributions - Interest Expens	-47,269.77
3500 Opening Bal Equity	0.00
Net Income	-20,236.19
Total Equity	**$340,670.29**
TOTAL LIABILITIES AND EQUITY	**$749,810.74**

AlignLife Systems LLC

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AlignLife Systems LLC

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Total Equity	**$340,670.29**
TOTAL LIABILITIES AND EQUITY	**$749,810.74**

Exhibit D to the Disclosure Document

LIST OF FRANCHISEES AND DEVELOPERS

Franchisees

Florida	
Healing Roots Chiropractic Centers LLC 116 Bartram Oaks Walk, Unit 104 Jacksonville, FL 32259 (904)701-0099	ChiropracticUSA Ocala East, LLC 942 SE 17th St, Ocala, FL, 34471 (352) 421-9292
ChiropracticUSA of Jasmine Inc 7668 SW60th Ave, #500 Ocala, FL 34476 (352) 351-2871	ChiropracticUSA of Buffalo Ridge, Inc 3614 Wedgewood Ln, The Villages, FL 32162 (352) 259-2225
Georgia	
Dr. Joe Clarino 5715 Cumming Hwy NE, Sugar Hill, GA 30518 (678) 482-4400 Transfer- 2016	Hoskins Family Chiropractic, 10917 Hwy 92, Suite 160A, Woodstock, GA 30188 (678) 385-9333
Illinois	
Nxt Level Wellness 2025 West Iles Ave Springfield, IL 62704 (217)787-7500	AL of Peoria, LLC 4812 N Sheridan Road Peoria, IL 61614 (309)689.6200
Indiana	
Dr. Jake Koziel 316 Main St, Beech Grove, IN 46107 (317) 731-7826	Dr. Kevin Day 118 West Market Street Warsaw, IN 46580 (574)268-2727
Dr. Kevin Day 10298 E. 96th St. Fishers, IN 46037 (317) 747-0088	
Michigan	
Dr. Michael Rykse 935 W. Norton Ave, Suite 1D Norton Shores, MI 49441 (231)737-5433	
North Carolina	
Dr. Christopher Boyhan Chirotehnics Ltd. 1272 Tunnel Rd Asheville, NC 28805 (828) 820-2121	Lawrence & Ortiz Chiro, LLC 976 High House Road Cary, NC 27513 (919) 342-8080
Profound Health, PLLC 703 West South Main St Unit C Waxhaw, NC 28173 (704) 709-3688	Baker Chiropractic 1053 S Trade St Tryon, NC 28782 (828) 859-5055

Wischhover Chiropractic, PLLC 834 Tyvola Rd, Suite 107 Charlotte, NC 28217 (704) 527-1115	NC Chiropractic 01 Inc 202 W North Carolina 54, Suite 103 Durham, NC 27713 (919) 408-7499
Nevada	
Fisher Family First Chiropractic II, LTD 9476 Double R Blvd, Suite A Reno, NV 89421 (775) 284-3333	
Puerto Rico	
Dr. Sebastian Bonnin D-14 Buen Samaritano St Urb. Gardenville Guaynabo, PR 00966 787-792-3712 Transfer - 2018	
Pennsylvania	
Ramsour Family Chiropractic, P.C. 747 Milford Road East Stroudsburg, PA 18301-1307 (570)476.5577	
South Carolina	
Intentional Wellness, LLC 105 Greenland Dr Goose Creek, SC 29445 (843) 797-3290	Mercante Family Chiropractic 1115-C Central Avenue Summerville, SC 29483 (843)376.5858
Cobb Chiropractic 16 Scenic Plaza Dr West Union, SC 29696 (864)638-7181	Dr. Chris Ethridge 104 Florence St SW, Aiken, SC 29801 Phone: (803) 226-0051
Drs. Allie and Michael Hamstead 419 SE Main Street, Suite 200 Simpsonville, SC 29681 (864)881-3693	Dr. Cristina Esposito, Dr. Sebastian Bonnin, Dr. Joe Clarino, and Dr. Christopher Bedenbaugh 996 Batesville Road, #7 Greer, SC 29651 (864)558-0516 Transfer - 2019
Dr. Michael Pisani 9730 Dorchester Road. Ste 103 Summerville, SC 29485 (843) 900-6034	Dr. Justin Berg 2514 N. Pleasantburg Dr, Suite R Greenville, SC 29609 (864)501-3600
Dr. Chris Bedenbaugh 1463 E Main St, Spartanburg, SC 29307 (864) 804-6651	
Tennessee	
Optimum Wellness Enterprise 5038 Hunder Rd, Unit 103 Ooltewah, TN 37363 (423) 910-9977	
Wisconsin	
Health Rite 8812 W. North Ave Wauwatosa, WI 53226 (414)774.2300	

Developers

None

Franchisees that signed agreements but were not open as of December 31, 2021

Dorado, PR Drs. Michael Rodriquez and Ana Garcia 335 Flat Cove Road, Spartanburg SC, 29303	Austin, TX Drs. Exer Matos and Coraliz Quintana 315 Concert Way Apt#308, Boiling Springs, SC 29316
Align Wellness, LLC 15 Racquet Rd, Suite 100 Newburgh, NY12550 (845) 275-0600	

Exhibit E to the Disclosure Document

LIST OF FRANCHISEES AND DEVELOPERS WHO HAVE LEFT THE SYSTEM

Kelch Chiropractic
7213 N. Allen Rd
Peoria, IL 61614
(309)693.8448

Dr. Chelsea Sineath
1300 E. Washington St, Suite B
Greenville, SC 29607
(864)610-4140

Exhibit F to the Disclosure Document

OPERATIONS MANUAL TABLE OF CONTENTS

- Pre-Opening Procedures
    - Financing and Site Selection
        - Pre-Opening Franchise Compliance
        - Financing Your Practice
        - Site Selection and Approval
        - Securing a Lease
    - Build Out
        - Build Out Process
        - Signage Requirements
        - Furnishing Your Clinic
        - Room Specifications
    - Onboarding
        - Onboarding Process
        - Creating the Business and Professional Entity
        - Obtaining Insurance
        - Establishing your Clinic Accounting Process
        - Setting up Clinic for Patient Billing
        - Preparing for your Grand Opening

- Franchise Expectations
    - Intro
    - Training and Development
    - Support and Operations
    - Marketing
    - Franchisee Responsibilities

- Daily Operations
    - Office Management
        - Technology Tools
        - Time Management
        - Managing the Front Desk
        - Daily Opening and Closing Procedures
        - Inventory Management
        - Using Approved/Required Suppliers
        - Required Report Submissions
    - Patient Office Visit
        - Customer Service
        - Care Plan Visit
        - Taking X-rays
        - Records Request/Release
        - Patient Flow Lead Generation
    - Billing Procedures
        - Patient Payments and Refunds
        - Insurance Verification
        - Processing Insurance Claims
        - Collection of Inactive Patient Payments
        - Following Up with Unpaid Insurance/Attorney Claims
        - Medicare
    - Core Services - Nutrition
        - Nutrition Integration

        - Lab Testing
        - Rehabilitation
        - Orthotics Process
    - Liability Cases
        - Personal Injury Cases
        - Workers' Compensation Cases

- Attraction
    - Marketing Overview
        - Understanding the 3 Verticals of Lead Generation
        - Marketing Philosophies
        - Daily Drip Marketing
        - Measuring Marketing Return on Investment
    - Internal Marketing - Course
        - Generating Patient Referrals
        - Patient of the Week
        - Nutrient of the Month Campaign
        - Patient Appreciation Day Campaign
        - Charity Drives
        - Feel Great Cards (Massage Only)
    - External - Course
        - Networking
        - Open House
        - Community Workshops
        - 12 Weeks to Wellness
        - Corporate Talks
        - Dinner with the Doc
        - Health Screenings
    - Digital - Course
        - Website/SEO
        - Google My Business
        - Social Media
        - Digital Ads
        - Email Marketing
        - Content Distribution

- Conversion
    - Patient Life Cycle
        - Patient Communication
        - Overview of Patient Process and Procedures
    - Day 1 - Initial Visit
        - Day 0 - CA Initial Visit Preparation
        - Day 1 - CA Initial Visit Launch
        - Day 1 - Doc Initial Visit Consultation, Exam and X-ray
        - Day 1 - CA Initial Visit Check Out
        - Day 1 - Creating Care Plans
    - Day 2 - Report of Findings & Day 3 Plan of Care Follow Up
        - Day 2 - CA Report of Findings Launch
        - Day 2 - Doc Report of Findings (R1) Process
        - Day 2 - Doc Plan of Care Process (R2/R3)
        - Day 2 - CA Close Out

        - Day 2 - Handling Objections
        - Day 3 - Plan of Care Follow Up Process

- Retention
    - Day 4 - Better Results Faster Workshop
        - Promoting the Better Results Faster Workshop
        - Better Results Faster Workshop Process
    - Patient Education
        - 12 Principles of Chiropractic
        - Chiro Kid's Club
    - Patient Accountability
        - Missed, Canceled and Rescheduled Appointments
        - Patient Recalls
        - Dismissal From Care
        - Patient Re-Activation
    - Progress Exams and Re-Examination
        - Progress Exam
        - Progress Report
        - Re-Examination
        - Review of Care Report

- Team Building
    - Employment Laws & Guidelines
        - Harrassment and Discrimination Laws
        - EEOC Guidelines
        - Personnel Policies
    - Roles and Responsibilities
        - Team Organization
        - Clinical Roles
        - Administrative Roles
    - Creating Your Dream Team
        - Finding Candidates
        - Interviewing Guidelines
        - Interviewing Candidates
        - Hiring Process
        - Employee Onboarding
    - Developing & Retaining
        - Ongoing Training
        - Performance Evaluations
        - Corrective Action
        - Termination / Resignation

- Business Development
    - Business Management
    - Meeting Rhythms
        - Huddle
        - Weekly Team Meeting

        - Monthly Check In
        - Quarterly Strategic Planning
    - Strategic Planning
        - Creating and Executing Marketing Plan (Marketing Calendar, Network List, Marketing Event Report, Marketing)
        - Quarterly Goal Setting
        - New Patient Tracking
    - Financial Management
        - Profit First
        - Monthly Close Out

- Communications Manual
    - Doctor's Communication
    - Staff Communication
    - Marketing Communication

Exhibit G to the Disclosure Document

MULTI-STATE ADDENDUM

CALIFORNIA APPENDIX

1. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or non-renewal of a franchise. If the Franchise Agreement or Area Development Agreement contains provisions that are inconsistent with the law, the law will control.

2. The Franchise Agreement and Area Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A. Sec. 101 et seq.).

3. The Franchise Agreement and Area Development Agreement contain covenants not to compete which extend beyond the termination of the agreements. These provisions may not be enforceable under California law.

4. Section 31125 of the California Corporation Code requires the franchisor to provide you with a disclosure document before asking you to agree to a material modification of an existing franchise.

5. Neither the franchisor, any person or franchise broker in Item 2 of the 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. 79a et seq., suspending or expelling such persons from membership in such association or exchange.

6. The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will occur at Peoria, Illinois with the costs being borne by both parties. 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.

7. The Franchise Agreement and Area Development Agreement require application of the laws of Illinois. This provision may not be enforceable under California law.

8. You must sign a general release if you renew or transfer your franchise. California Corporation Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. 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.

10. OUR WEBSITE, www.alignlife.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE

DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT at www.dbo.ca.gov.

ADDENDUM REQUIRED BY THE STATE OF ILLINOIS

Illinois law governs the agreements between the parties to this franchise.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the franchise agreement which designates jurisdiction or venue outside of 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 right upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

As an AlignLife Franchisee, you must sell $3,000 worth of nutritional products each quarter.

Payment of the Initial Franchise Fees and Development Fees will be deferred until Franchisor has met its initial obligations to the franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.

ADDENDUM REQUIRED BY THE STATE OF INDIANA

1. To be added to Item 3 of the Disclosure Document, is the following statement:

   There are presently no arbitration proceedings to which the Franchisor is a party.

2. Item 17 of the Disclosure Document is amended to reflect the requirement under Indiana Code 23-2-2.7-1 (9), which states that any post term non-compete covenant must not extend beyond the franchisee's exclusive territory.

3. Item 17 is amended to state that this is subject to Indiana Code 23-2-2.7-1 (10).

4. Under Indiana Code 23-2-2.7-1 (10), jurisdiction and venue must be in Indiana if the franchisee so requests. The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby amended.

5. Under Indiana Code 23-2-2.7-1 (10), franchisee may not agree to waive any claims or rights.

ADDENDUM REQUIRED BY THE STATE OF MARYLAND

This will serve as the State Addendum for the State of Maryland for AlignLife Systems, LLC's Franchise Disclosure Document and for its Franchise and Area Development Agreements. The

amendments to the Franchise and Area Development Agreements included in this addendum have been agreed to by the parties.

1. Item 17 of the Disclosure Document is amended to state that the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Item 17 of the Disclosure Document is amended to state that a franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. Item 17 of the Disclosure Document is amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. Item 17 of the Disclosure Document is amended to state that the provisions in the Franchise Agreement and Area Development Agreement which provide for termination upon bankruptcy of the franchisee/area developer may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

5. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to permit a franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

7. The appropriate sections of the Franchise Agreement and Area Development Agreement are amended to state that the general release required as a condition of renewal, sale and/or assignment/ transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

8. The Franchise Agreement, Area Development Agreement and Franchisee Disclosure Acknowledgment Statement are amended to include the following statement: "All representations requiring prospective franchisees 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."

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

(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 thirty (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 five (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 six (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) 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.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Marilyn McEwen
525 W. Ottawa Street, 6th Floor
Lansing, Michigan 48933
(517) 373-7117

ADDENDUM REQUIRED BY THE STATE OF MINNESOTA

This addendum to the Disclosure Document is agreed to this ___ day of _____, 20__, and effectively amends and revises said Disclosure Document and Franchise Agreement and Area Development Agreement as follows:

1. Item 13 of the Disclosure Document and Article 16 of the Franchise Agreement are amended by the addition of the following language to the original language that appears therein:

> "In accordance with applicable requirements of Minnesota law, Franchisor shall protect Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or shall indemnify Franchise from any loss, costs or expenses arising out of any claim, suit or demand regarding such use."

2. Item 17 of the Disclosure Document, Article 18 of the Franchise Agreement and Article 11 of the Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

> "With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes Sec. 80C.14, Subds.3, 4 and 5, which require (except in certain specified cases) that a franchisee be given 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld."

3. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended by the addition of the following language to amend the Governing Law, Jurisdiction and Venue, and Choice of Forum sections:

> "Minn. Stat. Sec. 80C.21 and Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction."

4. Item 17 of the Disclosure Document and the appropriate sections of the Franchise Agreement and Area Development Agreement are amended by the addition of the following language to the original language that appears therein:

"Minn. Rule 2860.4400D prohibits us from requiring you to assent to a general release."

5. Article 22 of the Franchise Agreement is hereby deleted in accordance with Minn. Rule 2860.4400J which prohibits waiver of a jury trial.

6. Article 22 of the Franchise Agreement regarding Limitations of Claims is hereby amended to comply with Minn. Stat. §80C.17, Subd. 5.

7. Item 6, Insufficient Fund Fees: NSF fees are governed by Minnesota Statute 604.113; which puts a cap of $30 on a NSF check. This applies to everyone in Minnesota who accepts checks except banks.

8. Under Minn. Rule 2860.440J, the franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required. The appropriate sections of the Franchise Agreement and Area Development Agreement are hereby amended accordingly.

ADDENDUM REQUIRED BY THE DEPARTMENT OF LAW OF THE STATE OF NEW YORK

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 SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. 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 WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to 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, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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 Item 4:

Neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the "Summary" sections of Item 17(c), titled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the "Summary" section of Item 17(d), titled "Termination by franchisee":

You may terminate the agreement on any grounds available by law.

7. The following is added to the end of the "Summary" section of Item 17(j), titled "Assignment of contract by franchisor":

However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. 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 upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM REQUIRED BY THE STATE OF NORTH DAKOTA

This addendum to the Disclosure Document, Franchise Agreement and Multi-Unit Operator Agreement and Development Agent Agreement effectively amends and revises said documents as follows:

1. Item 17(c) of the Disclosure Document and Articles 3 and 21 of the Franchise Agreement are hereby amended to indicate that a franchisee shall not be required to sign a general release.

2. Covenants not to compete are generally considered unenforceable in the State of North Dakota, in accordance with Section 51-19-09 of the North Dakota Franchise Investment Law. Item 17(r) of the Disclosure Document, Article 20 of the Franchise Agreement and Article 19 of the Area Development Agreement are amended accordingly.

3. Item 17(u) of the Disclosure Document and Article 22 of the Franchise Agreement are amended to provide that arbitration shall be held at a site that is agreeable to all parties.

5. Item 17(v) of the Disclosure Document and the provisions of Article 22 of the Franchise Agreement which require jurisdiction of courts in Washington, DC are deleted.

6. Item 17(w) of the Disclosure Document, Article 22 of the Franchise Agreement and Article 17 of the Area Development Agreement are amended to indicate that the agreements are to be construed according to the laws of the State of North Dakota.

7. Apart from civil liability as set forth in Section 51-19-12 N.D.C.C., which is limited to violations of the North Dakota Franchise Investment Law (registration and fraud), the liability of the franchisor to a franchisee is based largely on contract law. Despite the fact that those provisions are not contained in the franchise investment law, those provisions contain substantive rights intended to be afforded to North Dakota residents. Therefore, North Dakota franchisees will not be required to waive their rights under North Dakota law.

8. The provisions of Article 22 of the Franchise Agreement which require a franchisee to consent to (1) a waiver of trial by jury and (2) a waiver of exemplary and punitive damages are contrary to Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby deleted.

9. The provisions of Article 22 of the Franchise Agreement which require a franchisee to consent to a limitation of claims are hereby amended to state that the statute of limitations under North Dakota law applies.

ADDENDUM REQUIRED BY THE STATE OF RHODE ISLAND

The following amends Item 17 and is required to be included within the Disclosure Document and shall be deemed to supersede the language in the Disclosure Document itself:

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 of this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

ADDENDUM REQUIRED BY THE COMMONWEALTH OF VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for AlignLife Systems, LLC for use in the Commonwealth of Virginia shall be amended as follows:

1. Additional Disclosure: The following statements are added to Item 17.h:

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

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

ADDENDUM REQUIRED BY THE STATE OF WASHINGTON

The State of Washington has a statute, RCW 19.100.180, which 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 involving a franchise purchased in Washington, the arbitration site shall 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.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act, except when executed pursuant to a negotiated settlement after the

agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act or rights or remedies under the Act, such as a right to a jury trial, may not be enforceable.

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

If you are required to pay the termination fee as stated in 18.1 of the Franchise Agreement you will not be required to pay 60% of future revenue resulting from your improper or wrongful breach or other termination of the Franchise Agreement in the State of Washington.

Franchisee will not waive his rights to (a) notice of acceptance hereof; (b) THE RIGHT TO A JURY TRIAL IN ANY ACTION HEREUNDER; (c) presentment, demand and protest of any instrument and notice thereof; (d) notice of default; (e) all other notices or formalities to which Principal is or might be entitled whether by law or otherwise; and (f) all rights of set-off.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Addendum dated this _____ day of _____, 20___.

ATTEST

_____
Witness

ALIGNLIFE SYSTEMS, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE:

_____
Witness

_____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, 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 states below:

State	Effective Date
California	
Hawaii	
Illinois	September 1, 2021
Indiana	January 20, 2022
Maryland	
Michigan	
Minnesota	
New York	March 11, 2021 amended November 15, 2021
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(RETURN ONE COPY TO US)

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 AlignLife Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If AlignLife Systems, 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, DC 20580 and the appropriate state agency listed on Exhibit A.

The franchisor is AlignLife Systems, LLC, located at 4812 N Sheridan Road, Suite A700, Peoria, IL 61614. Its telephone number is 309-807-4439.

Issuance date: July 27, 2022.

The name, principal business address and telephone number of the franchise seller for this offering is: Joseph Esposito, 4812 N Sheridan Road, Suite A700, Peoria, IL 61614, (309) 807-4439.

AlignLife Systems, LLC authorizes the agents listed in Exhibit A to receive service of process for it.

I have received a disclosure document dated July 27, 2022 that included the following Exhibits:

A – List of State Administrators/Agents for Service of Process	E – List of Franchisees and Developers Who Have Left the System
B – Form of Franchise Agreement	F – Operations Manual Table of Contents
C – Financial Statements	G – Multi-State Addendum
D – List of Franchisees and Developers	

Date Received: _____ DATE: _____
(If other than date signed)

Print Name: _____

Print Address: _____

City, State: _____

_____
(Signature of recipient)

You may return the signed receipt either by signing, dating and mailing it to AlignLife Systems, LLC at 4812 N Sheridan Road, Suite A700, Peoria, IL 61614, or by faxing a copy of the signed and dated receipt to AlignLife Systems, LLC at 309-761-4146.

RECEIPT
(RETURN ONE COPY TO US)

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 AlignLife Systems, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If AlignLife Systems, 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, DC 20580 and the appropriate state agency listed on Exhibit A.

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Print Address: _____

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