FRANCHISE DISCLOSURE DOCUMENT

HERWAY

HerWay Health Franchise, LLC
a Delaware limited liability company
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The franchise offered is for the right to open a Herway medical clinic ("Clinic") to offer healthcare services to women ("Patients") (a "Herway Business"). Some of the healthcare services will be provided under membership plans and will include sexual wellness, hormone optimization, aesthetics, regenerative medicine, peptide therapy and intravenous infusion/therapy ("IVs") and similar non-critical healthcare services, goods, and medications (the "Healthcare Services").

The total investment necessary to begin the operation of a single Herway franchised business ranges from $359,324 to $498,700. This includes between $76,000 and $81,000 that must be paid to the franchisor or its affiliate(s).

The total investment necessary to begin operation of two Herway franchised businesses under an Area Development franchise is between $698,648 to $977,900. This includes $132,000 to $142,500 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of three Herway franchised businesses under an Area Development franchise is between $1,035,972 to $1,455,100. This includes $186,000 to $202,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of four Herway franchised businesses under an Area Development franchise is between $1,365,296 to $1,924,300. This includes $232,000 to $269,500 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of five Herway franchised businesses under an Area Development franchise is between $1,692,620 to $2,391,500. This includes $276,000 to $303,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of six Herway franchised businesses under an Area Development franchise is between $2,017,944 to $2,856,700. This includes $318,000 to $350,500 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format which is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Operations, at info@Herwayhealth.com or 760-290-3552.

The terms of your contract will govern your franchise relationship. Do not 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, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: July 27, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit E.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B 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 Herway Business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Herway franchisee?	Item 20 or Exhibit E lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

1) **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own state.

2) **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.

3) **Spousal Liability**. Your spouse must sign a document making your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.

4) **Unregistered Trademark**. The primary trademark that you will use in your business is not federally registered. If the franchisor's ability to use this trademark in your area is challenged, you may have to identify your business and its products/services by a different name. This change can be expensive and may reduce brand recognition of the products and services you offer.

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

NOTICE REQUIRED BY
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.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

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

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

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

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

The Franchisor

The franchisor is HerWay Health Franchise, LLC. For ease of reference, HerWay Health Franchise, LLC will be referred to as "we," "us," "our," or "HWF." We will refer to the person or entity that buys the franchise as "you," "your," or "Franchisee." If you are a business entity, certain provisions will also apply to your owners.

We are a Delaware limited liability company formed on December 31, 2025. We do business as "HerWay Health Franchise, LLC" and "Herway Health." We do not conduct business under any other name. We allow you to operate under our affiliate's trademarks "Herway Health" and "Herway Health and Hormones." Our principal business address is 2035 Corte Del Nogal, Suite 160, Carlsbad, California 92011. We sell franchises ("Franchises" or "Herway Franchises") to operate and/or manage a Clinic offering Healthcare Services and other products for women and have done so since July 2026. We have not conducted a business of the type to be operated by you. We have never offered franchises in any other line of business, and we have no other business activities.

Our agent for service of process in California is Carol Bender, 2035 Corte Del Nogal, Suite 160 Carlsbad, California 92011. Our agents for service of process for other states are identified by state in Exhibit A. If a state is not listed, we have not appointed an agent for service of process.

Our Parents, Predecessors, and Affiliates

We have no predecessors or parents.

We have several affiliates (our "Affiliates").

Women's Health Works, LLC, is our Affiliate and shares our principal business address ("WHW" or "IP Affiliate"). IP Affiliate licenses us the Marks and certain other intellectual property that we sublicense to you.

Executive Medical, Inc., a California corporation, is our Affiliate and shares our principal business address ("Executive Medical"). Executive Medical operates a Herway Business in Carlsbad, California, and has done so since September 2024. In the past, this location was operated under different Marks from the one we are offering to you under this Franchise Disclosure Document. We have used this location as a pilot/research and development location testing unreleased products and services, and it does not operate under the System that you will use for franchises offered to you under this Franchise Disclosure Document.

Integrative Health Innovations, Inc., a California corporation, ("Joy Affiliate") has been our Affiliate since June 2025, and has a principal business address of 3333 Camino del Rio S, Ste 205A, San Diego, CA 92108. Joy Affiliate operates the Herway Business in San Diego, California and has done so since May 2025. Joy Affiliate operates a location that has both a men's health clinic and a women's health clinic but is otherwise substantially similar to the one offered to you under this Franchise Disclosure Document. Joy Affiliate currently operates under the Herway Marks and System, and has done so since July 2026, but previously operated under the name "Joy Wellness."

Ream Franchise Group, LLC d/b/a "Gameday Men's Health" ("GD Franchisor") is our Affiliate and shares our principal business address. GD Franchisor has sold franchises to operate and manage clinics for men offering healthcare services and other products (each, a "Gameday Men's Health Franchise") since June 2022. As of the issuance date of this FDD, GD Franchisor currently operates 419 franchised locations in the United States. Gameday Canada Franchise Group LLC ("GD Canada") is our Affiliate and shares our principal business address. GD Canada offers franchises in Canada that are substantially similar to GD Franchisor's Gameday Men's Health Franchises and has done so since June 2023. We and GD Franchisor reserve the right to offer co-branding opportunities with Herway Franchises and Gameday Men's Health Franchises.

Gameday Health Management, LLC ("GD Affiliate") is our Affiliate and shares our principal business address. GD Affiliate operates four Gameday Men's Health businesses as of the issuance date.

Beachside Health Management LLC ("Beachside Health") is our Affiliate and shares our principal business address. Beachside Health has also operated businesses similar to the type being offered as Gameday Men's Health businesses and has done so since June 2024.

Randy Martins Health and Wellness LLC (with an assumed name of Hillstone Pharmacy, "Hillstone") is our Affiliate with a principal business address of 9947 Kingston Pike, Knoxville, TN 37922. Hillstone is an approved vendor of medications and medical supplies.

Except as described above, neither we nor any predecessor, or disclosed affiliate have conducted business of the type described in this Franchise Disclosure Document or offered franchises in this or any other line of business.

The Franchise

We grant you the right to open and operate a Clinic under either the DCO Model or the MSO Model, as defined below. In each case, the Clinic will offer in-person Healthcare Services to Patients, and will include sexual wellness, hormone optimization, aesthetics, regenerative medicine, peptide therapy and IVs and similar non-critical healthcare services, goods, and medications. We refer to the DCO Model and MSO Model as the "Models." Throughout this Franchise Disclosure Document, we have included language denoting Model-specific information. Unless otherwise specified, information is applicable to both Models.

DCO Model and MSO Model

If you are a medical professional or if you will open your Clinic in a state that allows a non-medical professional to own a Clinic, you will operate through "Direct Clinic Ownership" or the "DCO Model." Otherwise, if your state allows, you may open a non-medical business management firm ("Management Services Organization" or "MSO") that delivers management services to Clinics (the "MSO Model"). We offer franchises for single Clinics and area development franchises ("Area Developer Franchise(s)") for the right to open multiple Clinics in a designated development area. Area developers sign individual franchise agreements for each Clinic. Due to different state laws, we may only offer one Model of the Herway Franchise in a certain state(s). The State Addendum attached to this Franchise Disclosure Document as Exhibit G may contain additional references to the availability of a Model in such states.

The Clinics will offer the then-current list of Healthcare Services to women using our "System" in a designated geographic area (an "Exclusive Territory" as defined in Item 12 below). Clinics may sell memberships to Patients for the use of certain Healthcare Services for designated time periods based on an entry fee and monthly dues, which will be described under member agreements with the Clinics. The

membership programs do not allow for reciprocity and transfers among the membership programs of different Clinics. Our "System" includes, without limitation, our right to sublicense your use of the Marks; our proprietary methodologies for the delivery of Healthcare Services to the Patients under the DCO Model and the management services under the MSO Model; our "Proprietary Information", including the information necessary to deliver the MSO Services, the Patient lists, and all medical records however stored and subject to all data privacy and security laws; the list of Healthcare Services offered; our distinctive exterior and interior design, and trade dress; uniform guidelines and quality control requirements; access to proprietary back-office software solutions; and advertising and promotional programs. Your Model, the Healthcare Services offered, and your day-to-day operations will adhere to the System.

Under both Models, we grant you the right to use the "Marks" (see Item 13) in advertising the availability of the Healthcare Services at the Clinic.

A "Medical Professional" is a person who has the education, licenses, certifications, fellowships, and other credentials required by your state to deliver Healthcare Services directly to Patients, which may include medical doctors, doctors of osteopathy, registered nurses, nurse practitioners, and similar professionals. Medical Professionals must have an active DEA registration, maintain all licenses in good standing, and pass a background check. No particular specialty is required by us, but healthcare professionals trained in naturopathic medicine are not permitted to be the Medical Professional that owns the Clinic or acts as medical director. We must approve the Medical Professionals who directly own and operate the Clinic under the MSO Model.

Under the DCO Model, we grant you the right to own and operate a single Clinic at the "Franchised Location." Under the MSO Model, we grant you the right to manage a single Clinic at the Franchised Location.

If we grant you the right to operate a Herway Business, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification. You must not engage in the practice of medicine, nursing or any other profession that requires specialized training or certification, with the exception of those franchisees who sign a Waiver of Management Agreement.

The "Initial Training" (Item 11) and other training we offer is not intended to and will not provide medical training to a Medical Professional or continuing education requirements that your state may impose on Medical Professionals or any other staff members. All personnel must take such training as necessary to ensure that each retains the ability to deliver Healthcare Services and other services to Patients. You (and not us) are required to enforce this requirement.

Professional Judgment

We developed the System and the standards and specifications associated with the System, to create a framework that enables Clinics to operate in compliance with our brand standards and maintain a uniform experience for patients. However, we understand that the practice of medicine is a licensed profession requiring independent judgment, skill and training. Our franchise training and support programs do not include any training or support regarding the method or manner by which medical services are provided to patients. We do not (a) control or influence, (b) reserve the right to control or influence, or (c) intend to control or influence the Professional Judgment (as described below) exercised by the Medical Professionals or any medical staff. So we acknowledge and agree that if any terms of the Franchise Agreement (or any related agreement) and/or the Franchise Operations Manual conflict with your Professional Judgment or of the Medical Professionals and any medical staff, then: (i) the Professional Judgment of the Medical Professional and any medical staff, will control; and (ii) the Medical Professional and any medical staff

will be authorized to act in a manner consistent with their Professional Judgment without being deemed in breach of the Franchise Agreement.

For purposes of this Franchise Disclosure Document, the term "Professional Judgment" means the independent medical judgment exercised by a Medical Professional regarding the methods and manner by which medical services are provided to patients, including: (a) determining what diagnostic tests are appropriate; (b) determining the need for referrals to or consultation with another medical professional or specialist; (c) responsibility for the ultimate overall care of the patient, including treatment options available to the patient; (d) determining how many patients to see in a given period of time or how many hours licensed medical professionals must work; (e) determining the medical equipment and supplies used in rendering healthcare services; (f) managing, and determining the contents of, patient medical records; (g) selecting, hiring and firing any licensed medical professional staff; and (h) establishing coding and billing procedures for patient care services.

Area Development Agreement

We also offer to select qualified persons ("Area Developer(s)") the opportunity to sign our area development agreement ("Area Development Agreement") and acquire the right to develop up to ten Clinics in a designated development area ("Development Territory") in accordance with a specified development schedule ("Development Schedule"). Area Developers must open a minimum of two Clinics.

The Development Territory will be established based on the consumer demographics of the area, the geographical area, city, county, and other boundaries. Area Developers must also sign a Franchise Agreement for the first Clinic at the same time as the Area Development Agreement.

Area Developers and franchisees will sign a separate franchise agreement for each Clinic on the then-current form used by us at the time, which may differ from the current Franchise Agreement included with this disclosure document. Unless otherwise stated, any reference in this disclosure document to "you" or "franchisee" includes you both as an Area Developer under an Area Development Agreement and as a franchisee under a Franchise Agreement.

Co-Branding

In limited circumstances, we may offer certain existing franchisees of Gameday Men's Health, the opportunity to reserve their Gameday territory for a future Herway Franchise under a franchise agreement pursuant to this Franchise Disclosure Document. In addition, if we approve a co-branded or co-located operation with a Gameday Men's Health business, in addition to a Franchise Agreement, the franchisee will be required to execute a separate "Co-Branding / Co-Location Addendum to the Franchise Agreement", the form of which is included in Exhibit H to this Franchise Disclosure Document. These arrangements are not available to all franchisees and are granted only if we separately approve them.

Market and Competition

The primary market for the products and services offered by the Herway Businesses includes women in the general public. The products and services offered by Herway Businesses are not seasonal. The healthcare sector that serves women exclusively is developing but is also very competitive. You will compete with other businesses offering healthcare services in general (including medical practices, chiropractic practices, hospitals, and similar medical service providers) and that offer healthcare services exclusively to women. Some franchise systems, in particular, have already established national and international brand recognition.

Industry-Specific Laws

You must obtain all required licenses, permits, and approvals to operate your Herway Franchise. Some states and local jurisdictions may have enacted or may in the future enact laws, rules, regulations, and ordinances which may apply to the Herway Business. These regulations may establish certain standards, specifications, and requirements that must be followed by you. These include but are not limited to compliance 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.

State laws and regulations will vary greatly from state-to-state, so it is critical that each Herway Franchise owner evaluate the specific laws and regulations applicable to the geographic area where it operates. In conducting this evaluation, there are five foundational areas specifically related to healthcare that should be focused on and understood: (i) ownership; (ii) diagnosis and treatment; (iii) delegation and supervision, (iv) marketing, and (v) privacy and data security. These regulations apply both to Herway Franchise being operated under either Model.

Ownership. Many states have laws restricting ownership, and control of medical practices by lay persons or corporations. These laws are commonly referred to as the corporate practice of medicine doctrine ("CPOM"). The idea behind CPOM is to prevent financial and business interests from interfering with independent medical judgment. A state's CPOM doctrine can include a wide range of restrictions such as prohibiting lay person or corporations from employing a physician to practice medicine and collecting the professional fees, restricting the ownership percentage of a practice that can be owned by a physician or non-physician provider such as a nurse practitioner, or lay person, and who can serve in management positions of a practice. These ownership and control restrictions within the state your Herway Franchise is located can serve as a determining factor as to whether you can own and operate under a DCO Model or an MSO Model. Additionally, the CPOM restrictions can affect the way flow of funds needs to occur within your franchise structure, especially if operating an MSO Model, as funds need to follow a specific route from professionals to lay persons. For the MSO Model, the flow of funds concerns can also be addressed in the MSA. Whether your Herway Franchise is operated as a DCO Model or as a MSO Model, under no circumstance shall a lay person (including you as an owner, if unlicensed) administer, control, influence, or direct the supervision, administration, delivery or performance of medical or other services requiring a Medical Professional. The non-medical business management services include private-Patient billing and collections, human resource management, accounting, physical-plant maintenance, the delivery of non-medical supplies, lease management, and similar services ("MSO Services").

Diagnosis and Treatment. A variety of Medical Professionals can be employed by the Herway Franchise. However, state regulations and oversight boards determine how much power and ability each license grants the holder regarding certain procedures. It is critical that state law be determined for which Medical Professional can conduct a primary patient evaluation and diagnosis, develop the treatment plan, as well as who can perform the procedure. Generally, only a physician, nurse practitioner (subject to proper supervision), or physician assistant (subject to proper supervision) may conduct the initial evaluation and diagnosis. Varying power and practice scopes are granted to non-physician providers, such as nurse practitioners, depending on the state the license is issued and services performed in. State laws, medical boards, nursing boards, and other regulatory agencies will need to be analyzed to determine what procedures and policies need to be implemented through the creation of standard operating procedures for the Herway Franchise. The concept of form and substance will be vital to compliance as the operations of the Herway Franchise need to follow and adhere to the standard operating procedures as written.

Delegation and Supervision. Following the primary consultation of a patient, analysis will need to be conducted regarding which Medical Professionals can be delegated procedures and administer the treatment plan. States will vary on regulations such as medical director qualifications, nurse practitioner and physician assistant ability to practice independently, nurse supervision and medical records review. Further distinctions will need to be made between medical and non-medical treatments. Based on the applicable delegation needed and requirements of the jurisdiction, delegation and supervision agreements may need to be prepared and entered into between the physician and non-physician providers, or other supervisor roles as outlined by the state. These agreements often are required in instances where prescriptive authority is being delegated by one party to another, which can be integral to the operation of the Herway Business.

Marketing and Fraud and Abuse Laws. There are extensive federal, state and local laws rules and regulations that regulate the type of marketing that you may or may not make as to the products and services offered by a Herway Business, the results that a Herway Business customer may or may not achieve, and whether or not the approved products or services offered by Herway Businesses are authorized, cleared and/or approved by any government agency or authority, and the Medical Professional(s) that may or may not be administering, supervising and/or performing the services. You should consult with your healthcare attorney to ensure that the marketing and promotion of your Herway Franchise, its services, and the underlying Herway Business, complies with all applicable laws, rules and regulations.

Both federal and state law impose restrictions upon certain marketing activity, including prohibitions on giving or receiving certain financial incentives for referrals. These include the federal "Stark" physician self-referral prohibition (42 U.S.C. § 1395nn) on financial arrangements between a physician (or immediate family member) and entity furnishing Designated Health Services and the federal Anti-Kickback Statute (42 U.S.C. 1320a-7b), which prohibits knowingly and willfully soliciting, receiving, offering, or paying any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to any person, in return for or to induce such person to refer a person for the furnishing or arranging for the furnishing of an item or service for which payment may be made in whole or in part under Medicare, Medicaid, TRICARE or other Federal healthcare programs (as defined by 42 U.S.C. § 1320a-7b(f)); or (ii) purchase, lease, order or arrange for or recommend the purchasing, leasing or ordering of any good, facility, service, or item for which payment may be made in whole or in part under any Medicare, Medicaid, TRICARE or other Federal healthcare programs (as defined by 42 U.S.C. § 1320a-7b(f)). While the absence of federal reimbursement prevents the applicability of the foregoing laws and regulations to a Herway Franchise and the Herway Business operated in connection with your Herway Franchise, certain states have enacted parallel restrictions ("State Anti-Kickback Laws") that apply to all healthcare services, without regard to whether the payer is the patient, a private health plan, or a government program. A federal law enacted in 2018, the Eliminating Kickbacks in Recovery Act, 18 U.S.C. § 220, also prohibits the payment of remuneration in return for referring a patient to medical clinics and applies to payments from commercial and employer-sponsored health plans.

Another important aspect of compliance with State Anti-Kickback Laws may involve review of the financial terms of the MSA used in a MSO Model to ensure that the arrangement comports with relevant state law, including considerations of fair market value or commercial reasonableness in the payment for services. In addition, many states require that physicians make a proper disclosure to their patients regarding their affiliation with a person or entity if they will receive, directly or indirectly, remuneration for securing or soliciting the patient. Because of this, you will need to structure your marketing and financial arrangements carefully to ensure compliance. It is important to have a healthcare attorney evaluate these laws and regulations applicable to your Herway Franchise and the Herway Business.

Other federal and state marketing laws may apply to your Herway Franchise and the Herway Business with regard to marketing and telemarketing, including the Telephone Consumer Protection Act

("TCPA"). Compliance with all such laws is your sole responsibility, and you must obtain and maintain all appropriate required consents for advertising and marketing communications by all means where such consent is required by applicable law.

Privacy and Data Security. Federal and state law impose privacy and data security requirements to the handling of patient records and communications of health information. The federal Health Insurance Portability and Accountability Act ("HIPAA") laws, rules and regulations impose strict requirements as to safeguarding and maintaining the privacy of personal information and data collected and stored in medical records. You must assume that the operations of a Herway Business, and the offer, sale, and performance of the Approved Clinic Products and Services are subject to HIPAA's stringent privacy requirements. State laws may provide additional restrictions on privacy and data security practices. Although we provide a sample HIPAA business associate agreement (the "HIPAA Associate Agreement") in Exhibit H of this Disclosure Document, to ensure the privacy and security of patient healthcare information you share with any business associate as defined by HIPAA, such as service providers, attorneys, or third-party billing companies, you should consult with your own healthcare attorney to ensure that this agreement complies with HIPAA and other applicable laws, rules and regulations. You should also consult with your healthcare attorney to determine whether the activities, safeguards and measures of your Herway Franchise and the Herway Business comply with HIPAA, requirements.

The Payment Card Industry Data Security Standard ("PCI") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI applies to all organizations or merchants, regardless of size or number of transactions, that accept, transmit or store any cardholder data. You must also be sure to comply with applicable federal and state laws regulating the privacy and security of sensitive consumer and employee information.

There may be other applicable laws that govern the operation of any business, including employment laws, health, safety, Occupational Safety & Health Administration (OSHA) regulations, and similar legal requirements. Some applicable laws may regulate the length and terms of membership contracts, advertising and limitations on pre-opening sales. Certain services are required to be provided by an esthetician. The applicable law for those services will include licensing requirements. You may also have to obtain a bond to protect pre-paid membership fees you collect and there may be buyer's remorse cancellation rights and other types of cancellation rights. In all cases, you must determine the existence of applicable laws concerning your business operations before you sign the Franchise Agreement and must continue to comply with them throughout the franchise relationship. We urge you to consult with legal and other professionals of your choice for such help.

ITEM 2
BUSINESS EXPERIENCE

Member and Executive Chairman - Evan Miller

Dr. Evan Miller has served as our Executive Chairman and as a Member since our inception in December 2025 in Carlsbad, California. Dr. Miller has served as Member of GD Franchisor since its inception in October 2021, as Chief Executive Officer since March 2023 and as President from October 2021 to March 2023, all in Carlsbad, California. In December 2017, he founded GD Affiliate, and since then has managed GD Affiliate and Gameday Health Partners, LLC ("GHP Affiliate") in Carlsbad, Temecula, Laguna Hills and San Diego, California. Since December 2017, Dr. Miller has also acted as Business Development Manager of Healthy Aging in Carlsbad, Temecula, Laguna Hills and San Diego, California. Dr. Miller has also been the Director of GD Canada since August 2024 and the Chief Executive Officer of GD Canada since January 2024.

President – Carol Joy Bender, NP

Carol Joy Bender has served as the President of the flagship model Herway Health Clinic in San Diego, California, since December 2025. Prior to that, Ms. Bender has also served as the Founder and CEO of Joy Wellness Partners, a wellness clinic based in San Diego, California, since January 2017. Ms. Bender is a Board-Certified Adult-Gerontology Acute Care Nurse Practitioner.

Chief Operating Officer - Stephen Mercurio

Stephen Mercurio is our Chief Operating Officer in Carlsbad, California, and has been since December 2025. Stephen Mercurio is the Chief Operating Officer of GD Franchisor in Carlsbad, California, and has been since December 2023. Prior to that, he was the CEO of Akua Behavioral Health in Newport Beach, California from January 2022 to September 2023. Mr. Mercurio was the President of Akua Behavioral Health in Newport Beach, California, from January 2019 to December 2021. Mr. Mercurio has also been the Chief Operating Officer of GD Canada since January 2024.

Chief Innovation Officer - Michael Tabor

Michael Tabor has served as our Chief Innovation Officer since December 2025 in Carlsbad, California. Mr. Tabor has served as the Chief Innovation Officer of GD Canada since July 2024 in Carlsbad, California. Mr. Tabor has served as a founding member of Kitson Yachts in Bal Harbor, Florida, since January 2020 and served as its CEO from June 2021 to July 2024. Mr. Tabor has also served as the Chief Innovation Officer of GD Canada since July 2024.

Chief Strategy Officer - Allen Brooke

Allen Brooke has served as our Chief Strategy Officer since December 2025 in Carlsbad, California. Mr. Brooke has served as the Chief Strategy Officer of GD Franchisor since July 2024 in Carlsbad, California. Mr. Brooke previously was the Partner and Chief Financial Officer of Dye Capital from June 2019 to July 2024 in Delray Beach, Florida. Mr. Brooke has also served as the Chief Strategy Officer of GD Canada since July 2024.

Medical Director – Dr. Michael Woo-Ming

Dr. Michael Woo-Ming has served as Founder and Medical Director of Executive Medical in Carlsbad, California, since September 2012. He has served as Founder of Michael Woo-Ming MD Corp in Murrieta, California, since January 2022. Since September 2024, Dr. Woo-Ming has served as Medical Director of 1st Optimal in Village of Clarkston, Michigan. Since December 2024, he has served as a Physician with Mochi Health and as a Physician with You Health, affiliated with Hims & Hers, both based in San Francisco, California. Since 2008, Dr. Woo-Ming has served as Owner of MWM Holding LLC in Carson City, Nevada. Since April 2026, he has served as Chief Executive Officer of Doctor Podcast Network in Austin, Texas.

Vice President of Operations - Natalie Boyle

Natalie Boyle has served as our Vice President of Franchise Operations in Carlsbad, California since January 2026. Ms. Boyle previously served as Senior Brand Manager of Pause Studio in Los Angeles, California from February 2020 to January 2026.

Vice President of Sales and Business Coaching - Rich Force

Rich Force is our Vice President of Sales and Business Coaching in Carlsbad, California, and has been since December 2025. Mr. Force is also the Vice President of Sales and Business Coaching of GD Franchisor in Carlsbad, California, and has been since April 2024. Mr. Force previously was the Director of Sales Operations for Nulife Institute in Miami, Florida, from July 2022 to April 2024. Prior to that, he was CEO and Founder of Medical Marketing Solutions/USA Health MD in Fort Lauderdale, Florida, from March 2019 to July 2024.

Onboarding Manager - Courtney Smuck

Courtney Smuck has served as our Onboarding Manager in Carlsbad, California, since December 2025. Mrs. Smuck previously served as an Onboarding Manager for GD Franchisor in Carlsbad, California, since December 2024. Previously, she was the Onboarding Coordinator for GD Franchisor in Carlsbad, California, from August 2023 to December 2024. Prior to that, she was the Lead Recruiter for Express Professionals in Fort Worth, Texas, from October 2021 to July 2023, and the Lead at HG SPLY CO in Trophy Club, Texas from August 2019 to September 2021.

Director of Brand Integrity & Quality Assurance - Lauren Kampinga

Lauren Kampinga is our Director of Brand Integrity & Quality Assurance in Carlsbad, California, and has been since December 2025. Ms. Kampinga is also the Director of Brand Integrity & Quality Assurance for GD Franchisor in Carlsbad, California, and has been since November 2023. Prior to that, she was the Senior Manager, Quality Assurance & Continuous Improvement, and Director of Operations & Franchise Success for Restore Hyper Wellness in Austin, Texas, from July 2015 to August 2023.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Unless otherwise stated, the fees below apply to both the DCO and MSO Models.

Initial Franchise Fee

You will pay us a $59,500 initial franchise fee ("Initial Franchise Fee") when you sign your Franchise Agreement for the license to open a single Clinic within an Exclusive Territory. If you are an honorably discharged veteran from the United States military, we will discount the Initial Franchise Fee for your first Clinic by $10,000. If you are an existing franchisee of Gameday Men's Health in good standing under your franchise agreement, we will discount the Initial Franchise Fee for your first Clinic by $10,000. The discount to the Initial Franchise Fee applies only to the purchase of your first Herway Franchise and is capped at a maximum discount of $15,000. Therefore, if you are both an honorably discharged veteran and an existing Gameday Men's Health franchisee, the Initial Franchise Fee will be discounted by $15,000 for

your first Clinic. The Initial Franchise Fee is used to cover our costs for initial training and the pre-opening services we deliver and is fully earned by us before you open. The Initial Franchise Fee is uniformly imposed and nonrefundable.

During our last fiscal year ended December 31, 2025, we did not collect any initial franchise fees.

Development Fee

If you choose to enter into an Area Development Agreement to open multiple Clinics, you will sign the Area Development Agreement at the same time that you enter into your initial Franchise Agreement, and you will pay us a fee based on the number of Clinics you want to develop ("Development Fee") when you sign the Area Development Agreement and your first Franchise Agreement. You must develop a minimum of two Clinics. The Development Fee is nonrefundable, even if you fail to open any Clinics. The chart below describes the Development Fee owed depending on the number of Clinics you agree to open. Area Developers must open a minimum of two Clinics.

Number of Clinics	Development Fee for the Clinic	Total Development Fee Due
One	$59,500	N/A
Up to Two	$40,000	$99,500
Up to Three	$38,000	$137,500
Up to Four	$36,000	$173,500
Up to Five	$34,000	$207,500
Up to Six*	$32,000	$239,500

The Development Fee for each Clinic above six is an additional $30,000.

You will not owe any additional Initial Franchise Fees when you enter into the Area Development Agreement. If you previously entered into an Area Development Agreement, you may request to increase your development obligations if you are in good standing under your Franchise Agreement and Area Development Agreement. If we grant your request to purchase the right to develop additional Clinic(s), you will pay the difference between: (i) the then-current Development Fee for the total number of Clinics you will develop after signing the additional Franchise Agreements; and (ii) the aggregate Development Fee you paid for any previous Clinic development rights. For example, if you previously entered into two Franchise Agreements and enter into a third and fourth Franchise Agreement, your Development Fee will be calculated as $173,500 (the current Development Fee for four Herway Businesses) less the $99,500 you paid under your existing Area Development Agreement for an additional Development Fee of $74,000. You will sign an "Amendment for Additional Development," the form of which is included in Exhibit H to this Franchise Disclosure Document, which will set forth the additional Development Fee due for the development rights for your additional Clinic(s). We may, but are not obligated to, expand or modify your Development Territory when you sign an Amendment for Additional Development. We reserve the right to increase the Development Fees and calculate the additional Development Fee based on the then-current fee schedule.

Initial Training Fee

You must pay us an "Initial Training Fee" of $500 for the initial training program. The Initial Training Fee includes training for up to seven attendees. We are not required to provide Initial Training to you for any additional Herway Business franchises after you receive Initial Training for your first Franchise. This fee is uniform, nonrefundable and is due before your scheduled Initial Training Program (as defined in Item 11).

Technology Set-Up Fee; Technology Maintenance Fee

You will also pay us before you open (i) a one-time $3,000 "Technology Set-Up Fee" to cover our cost to set up a landing page for your Model on our website and set up your Model in our system; and (ii) $3,000 for the first three months of the "Technology Maintenance Fee" (at $1,000 per month) that will be used to maintain your website presence and for other technology-based services. These fees are due three months before your scheduled opening date of your Clinic. The Technology Set-Up Fee and Technology Maintenance Fee are uniformly imposed and are nonrefundable.

Digital Marketing Set-Up Fee

Three months before the scheduled opening date of your Clinic, you will pay us a one-time Digital Marketing Set-Up Fee of $2,500 ("Digital Marketing Set-Up Fee") for each Clinic you operate. The Digital Marketing Set-Up Fee is uniformly imposed and nonrefundable.

ITEM 6
OTHER FEES

Type of Fee*	Amount	Due Date	Remarks
Royalties [(1)(2)(3)]	The greater of 6% of Clinic "Gross Revenue" or the "Minimum Royalty" beginning in the first month of operation and continuing throughout the remainder of the initial term.	Monthly on the 5th of each month	See Notes 1, 2 and 3 for more information on "Royalties."
Brand Fund Fee	2% of Gross Revenue	Same as Royalties	We may increase this amount to no more than 3% of Gross Revenue after 60 days' written notice. If you operate in a state that does not permit the collection of percentage-based fees, we may implement an alternative fee structure upon 60 days' notice to you and will reconcile any payments with this new fee structure. We reserve the right to charge an alternative flat fee equal to up to $2,000 dollars per month. See Item 11 for more information.

Type of Fee*	Amount	Due Date	Remarks
Digital Marketing Fee	$2,500 per month per Clinic	Payable on receipt of invoice	You must pay a Digital Marketing Fee of $2,500 per month for each Clinic you operate. We may increase the Digital Marketing Fee by up to 20% each year upon 60 days' written notice. See Note 4.
Telehealth Marketing Fee	Then-current fee (currently planned to be $1,250 per month); plus then-current administrative fee (currently planned to be $0 per month)	Same as Royalty	Once established, you will pay the "Telehealth Marketing Fee" fee to us each month. We pass through this amount directly to our designated third-party advertising vendor for telehealth marketing services. This fee may increase on 30 days' written notice to you if the third-party vendor increases its fees. At present, we don't currently charge an administrative fee for our expenses to administer these services, but we may charge this fee in the future up to 20% of the Telehealth Marketing Fee upon 60 days' written notice.
Regional Advertising Fee	Varies	As we determine	Payable to us if we create a regional advertising program that includes franchisees within a designated geographic area. The Regional Advertising Fee will apply in addition to your Digital Marketing Fee; however, we may also allocate that part of your Brand Development Fee or Digital Marketing Fee for use by the regional advertising program (Item 11). Each Clinic, including company-owned Clinics, in the designated geographic area will have one vote in the regional advertising program. We have no formula for determining whether a regional advertising group will be formed or what percentage of your fees will be allocated. As a result, we cannot quote an amount here.
Technology Maintenance Fee	Then-current fee (currently $1,000 per month)	You will pre-pay the first three months of the Technology Maintenance Fee. Beginning with your fourth month of operation, the Technology Maintenance Fee will be payable each month	We may increase this fee at any time in our sole discretion after 60 days' written notice. This fee may include fees paid to third-party vendors and it may be adjusted to reflect their price increases. You will also be responsible for any increase in fees that result from any third-party vendor price increases, upgrades, modifications or additional software.

Type of Fee*	Amount	Due Date	Remarks
Replacement/Additional Personnel and Transferee Training Fee[5]	Then-current fee ($200 per person per shadow day for replacement or additional trainees and $2,500 per person for transferees)	Before training	See Note 5.
Optional Additional Training or Assistance Fee[6]	Then-current fee ($950 per trainee per day plus an additional $950 per day for any additional trainers)	As incurred.	See Note 6.
Audit Fee	Cost of audit and any underpayments plus 1.5% interest per month	Within ten days after receipt of audit report	Payable to us if the underpayment is greater than 2% of reported amounts.
Transfer Fee	$10,000 per Clinic plus any broker commission	When the transferee signs the then-current Franchise Agreement	Payable in connection with the transfer of your Herway Business, a transfer of ownership of your legal entity, or the Franchise Agreement (this does not apply to the transfer of an entity you control—see below). If a broker referred the transferee and we pay a brokerage commission, this figure will increase by the amount of the commission. We have no method of determining if there will be a broker and cannot quote any additional cost here.
Successor Franchise Fee	$10,000	When you are granted the right to renew	Payable if you qualify to renew your Franchise and choose to enter into a successor franchise agreement.
Late Fee	Then-current fee (currently $100 per day plus Default Interest).	As incurred	Payable to us if you do not make a timely payment. We may increase this fee at any time and in any amount after first giving you at least 60 days' written notice.
Default Interest	Then-current fee (18% per annum, compounded monthly)	As incurred	We may increase this interest at any time and in any amount after giving you at least 60 days' written notice. However, we will not charge an amount greater than allowed by your state.
Indemnification Fee	Will vary under circumstances	As incurred	You must indemnify and reimburse us for any expenses or losses, including Professional Fees, that we or our representatives incur related in any way to your Herway Business or Franchise.

Type of Fee*	Amount	Due Date	Remarks
Professional Fees and Expenses	Will vary under circumstances	As incurred	You must reimburse us for any legal, accounting or other professional fees ("Professional Fees") that we incur as a result of any breach or termination of your Franchise Agreement or as a result of your indemnity obligations. You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Supplier and Product Evaluation Fee	Then-current fee (currently $1,000 per month).	As incurred	Payable if we inspect a new product, service or proposed supplier nominated by you.
Relocation Fee	Then-current fee (currently $5,000).	As incurred.	Payable to us if we approve the relocation of your Clinic. We may increase this fee to up to $7,500 after giving you at least 60 days' written notice.
Annual Conference Attendance Fee	Then-current fee (not currently charged).	Before attendance	Payable to us if we conduct an "Annual Conference" and implement a fee. We will notify you of this fee at least 60 days before the Annual Conference date.
Insurance	Our cost if we purchase insurance for you, plus our then-current fee for administration (currently $500 per month).	As incurred	You will pay this amount if we purchase insurance for your Model because you failed to do so. We may increase the administrative fee at any time and any amount after giving you no less than 10 days' prior written notice.
New Healthcare Services, Products, Technology, and Services Fees(7)	Varies.	As incurred	Payable to approved suppliers or us. See Note 7.
Taxes(8)	Our costs.	As incurred	See Note 8.
Cost for Testing Samples(9)	Varies.	As incurred	See Note 9.
Non-Compliance Fee	$500 per violation plus $100 to $500 per day that any violation is not corrected.	As incurred	This fee is assessed if we notify you that you are failing to follow our System or any required standards, failing to follow the terms of the Franchise Agreement or Franchise Operations Manual.
Payment Processing Service Fees	2% to 4% of the payment amount.	As incurred	Payable to approved suppliers or us. We may collect this for fees we process from your patients or from you.

*****Unless otherwise stated, all fees apply to both the DCO and MSO Models. You will be responsible for paying these fees separately for each Clinic you open. All fees paid to us or our affiliates are uniform and not refundable under any circumstances once paid. Fees paid to vendors or other suppliers may be refundable depending on the vendors and suppliers. All fees are current as of the Issuance Date of this

Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. If you enter into an Area Development Agreement to operate multiple Clinics, the fees indicated in the chart above are the fees charged and/or incurred for each Clinic. All fees are current as of the Issuance Date of this Franchise Disclosure Document. Certain fees that we have indicated may increase over the term of the Franchise Agreement. Also, any fee expressed as a fixed dollar amount is subject to adjustment based on changes to the Consumer Price Index ("CPI") in the United States. We may periodically review and increase these fees based on changes to the CPI (in addition to any other increase), but only if the increase to the CPI is more than 5% higher than the corresponding CPI in effect on: (a) the effective date of your Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). In such event, we have the right to increase these fees by a maximum of 20% per year, calculated cumulatively over the term of the Franchise Agreement. Additionally, we may also increase fees by the amount of any increases in fees from third parties for the underlying products or services, as applicable, which will be added to the capped fee increase. We will notify you of any adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one fee adjustment during any calendar year.

1. Royalties. You must pay us a continuing Royalty. The continuing Royalty is a monthly fee that is equal to the greater of: (a) 6% of the amount equal to the monthly Clinic Gross Revenue; or (b) the then-applicable Minimum Royalty.

"Gross Revenue" means the total of all revenues and income of the Clinic (whether operated through a DCO Model or an MSO Model), including the revenue generated from the sale of all products and services (including branded products and services) offered at or from the Clinic and all other income or revenue of every kind and nature related to, derived from, or originating from the Clinic, whether at retail or wholesale, including any off-premises services, mobile clinics, and temporary locations (whether these sales are permitted or not), any initial and renewal membership fees, dues and all other charges, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. Gross Revenue does not include (i) sales or similar taxes you collect that are chargeable to Patients by law; (ii) any documented refunds or credits; or (iii) sales discounts granted to a Patient. All barter or exchange transactions in which the Clinic furnishes products or services in exchange for products or services provided to Clinic by a vendor, supplier or Patient will, for the purpose of determining Gross Revenue, be valued at the full retail value of the products or services so provided to Clinic.

Under the DCO Model, you will collect all Clinic Gross Revenue. Under the MSO Model, the Medical Professional will collect all Clinic Gross Revenue. The percentage Royalty is based solely on the amount of the Gross Revenue of the Clinic for both models. If you operate the MSO Model, your Royalty is not based on the revenue you derive from the delivery of MSO Services to the Clinic.

All Royalties and fees collected must comply with federal, state, and/or local government laws, rules or regulations. If we determine that this calculation and collection of Royalties or any other fee or required contribution is invalid or unenforceable, we will give you 60 days' written notice, and will replace any invalid or unenforceable calculation or collection method with a method that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable method, and this calculation of Royalty or other fee will be enforceable as so modified.

Any Gross Revenue attributable to pre-opening sales or other activities occurring prior to the opening of your Herway Business shall, for the purposes of the calculation of the first payment of the Royalty or Minimum Royalty, be deemed to have occurred on the date your Herway Business opens.

2. Royalties: Minimum Royalty. The Minimum Royalty is described in the chart below.

"Minimum Royalty"						
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 to 10
$541.67	$812.50	$1,083.33	$1,354.17	$1,625.00	$1,895.83	$2,166.67

Monthly Requirement – The dollar amounts described in the chart above are monthly Minimum Royalties due for each year.

These amounts are per Clinic. If you manage or operate multiple Clinics, you will pay the applicable Minimum Royalty for each Clinic, which will be based on the year of operation for the respective Clinic.

Year – You will pay the "Year 1" Minimum Royalty in the calendar year the Clinic opens and in the calendar year following the year the Clinic opens. Each additional year starts on January 1 of the subsequent year. In the event of a transfer, the year shall be calculated from the original opening date of the Clinic.

3. Royalties. We currently require you to pay fees and other amounts due to us or our affiliates via electronic funds transfer ("ACH") or other similar means. We can require an alternative payment method or payment frequency for any fees or amounts owed to us or our affiliates under the Franchise Agreement.

4. Digital Marketing Fee. The Digital Marketing Fee will vary based on the number of Herway Businesses you operate. The Digital Marketing Fee is used to provide and/or procure marketing, which may include custom microsite development and ongoing maintenance, optimized google rankings, Google My Business account management, keyword targeting, domain/keyword authority, local search engine optimization (SEO), on-page SEO, off page SEO, technical SEO audits, backlink building, landing page network buildouts, competitor analysis, copywriting, and reporting for your Clinic ("Digital Marketing"). The Digital Marketing Fee may be used for associated overhead operating costs and expenses we incur when providing or procuring Digital Marketing. We may increase the Digital Marketing Fee by up to 20% each calendar year upon 60 days' written notice to you.

If you are approved and enter into an Area Development Agreement and ultimately operate four or more Herway Businesses, the Digital Marketing Fee for your fourth and any subsequent Herway Businesses you operate will be reduced. Currently, the reduced Digital Marketing Fee for such circumstances is $500 per month per Clinic. See also Item 7.

5. Replacement/Additional Personnel and Transferee Training Fee. Payable to us for training additional or replacement "Franchise Managers," "Responsible Owners," non-medical staff, or transferees. You will pay your associated expenses, including travel, lodging, and board. We may increase this fee at any time in any amount after giving you at least 60 days' written notice. A "Franchise Manager" is a person besides you or your Responsible Owner who acts as your Model's general manager and has been trained by us. A "Responsible Owner" is an equity owner of your franchisee entity you designate to receive our training and operate the business on a day-to-day basis.

6. Optional Additional Training or Assistance Fee. Payable to us if you request additional operating assistance, and we agree to provide it. If we travel to you, you will pay our then-current daily fees per trainee plus our travel, room, and board. If we send more than one trainer, you will pay our then-current daily fee for each additional trainer plus their travel room and board. If you travel to us, these fees will apply, and you will bear these costs for your travel, room, and board. In our sole discretion, this training may be delivered virtually through our password-protected training web portal at the same per-trainer daily fee. We may increase this fee at any time by any amount after giving you at least 60 days' written notice.

7. New Healthcare Services, Products, Technology, and Services Fees. We may require all similarly placed franchisees and you to add Healthcare Services, products, or other services to those already sold through your Clinic. Under the MSO Model, your MSA must include language that requires the Medical Professional to update its Healthcare Services, products, and other services. In each case, you may incur additional expenses, costs, and fees, some of which may be due to an Affiliate, a third party for whom we collect funds, or us. We have no set formula for determining the amounts and cannot provide an estimate to you. We will notify you in writing and give at least 60 days to comply. To provide for inevitable but unpredictable technological changes that could affect either Model's operations, we have the right to establish, in writing, reasonable new standards and fees to implement new technology. If we introduce new technology, we will notify you in writing and give you 60 days to comply with the changes.

8. Taxes. You will reimburse us for all taxes we pay for products or services we furnish you, on our collection of the initial franchise fee, on the collection of royalties and advertising contributions, and the collection of similar fees or costs, if assessed by your state, and except for our income taxes.

9. Cost for Testing Samples. We may test items and goods from the Clinic and management offices to ensure it complies with our standards. If the test discloses failure to meet our standards, we may collect our cost of testing. We have no formula for determining this cost and cannot quote it here.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Single Clinic (DCO Model and MSO Model)

Type of Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Franchise Fee [2]	$59,500	$59,500	Lump sum	When you sign your Franchise Agreement	Us
Rent[3]	$6,825	$30,000	As incurred	As per lease terms	Landlord
Real Estate Security Deposit	$1,500	$15,000	As incurred	As incurred	Landlord
Utility Deposits[4]	$0	$1,500	As incurred	As incurred	Utility companies
Leasehold Improvements[5]	$20,000	$35,000	As incurred	As incurred	Affiliates, Approved vendors
Bookkeeping Services[6]	$1,200	$1,500	As incurred	As incurred	Approved supplier
Medical, Exam Room, Laboratory Equipment[7]	$68,000	$75,000	As incurred	As incurred	Approved supplier
Other Furniture, Fixtures, Equipment, and Signage[7]	$25,000	$40,000	As incurred	As incurred	Approved suppliers
Technology Set-Up Fee and Three Months Technology Maintenance Fee[8]	$6,000	$6,000	As incurred	As incurred	Us

Type of Expenditure[1]	Amount		Method of Payment	When Due	To Whom Payment is Made
	Low	High			
Initial Inventory of Consumable Medical Products[9]	$5,000	$8,000	As incurred	As incurred	Approved suppliers
Computer System[10]	$4,000	$6,000	As incurred	As incurred	Approved suppliers
Medical Practice Software[11]	$2,550	$2,550	As incurred	As incurred	Approved suppliers
Payment Processing Software[12]	$599	$2,500	As incurred	As incurred	Approved suppliers
Initial Training Fee[13]	$500	$500	Lump sum	Prior to initial training	Us
Training Expenses[13]	$7,000	$10,000	As incurred	As incurred	Approved vendors
Fees Paid for Medical Training; Medical Association Fees[14]	$10,000	$17,000	As incurred	As incurred	Approved Medical Agencies and Vendors
Medical Training Expenses[15]	$8,000	$10,000	As incurred	As incurred	Approved Vendor
Grand Opening[16]	$20,000	$25,000	As incurred	As incurred	Approved vendors
Digital Marketing Fee and Set-Up Fee[17]	$10,000	$10,000	As incurred	As incurred	Us or Designated Vendor
Insurance[18]	$13,650	$23,650	As incurred	As incurred	Insurance agents
Staff Costs[19]	$60,000	$80,000	As incurred	As incurred	Professional staff
Additional Funds – Three Months[20]	$30,000	$40,000	As incurred	As incurred	Third parties and us
Total Estimated Initial Investment[21]	$359,324	$498,700			

1. Type of Expenditure. Unless otherwise stated in Item 5, all fees payable to us are uniform, payable in one lump sum, and nonrefundable. Fees due to third parties will be determined by your agreement with those third parties. Unless otherwise stated in the chart above or the footnotes below, these are the fees payable by both DCO Models and MSO Models. We have included language regarding what would be paid for by DCO Models and MSO Models, but depending on your state and local law, there may be more or less items that MSO Models will be permitted to acquire directly. Due to different state laws, we may only offer one model of the Herway franchised business in a certain state(s).

2. Initial Franchise Fee. The Initial Franchise Fee is described in Item 5. Any Option Fee for existing Gameday franchisees is described in Item 5.

3. Rent. The Franchised Location must be approved by us. You will be required to use approved site selection vendors (non-affiliates). You will not be required to pay an additional fee, this fee will be paid by landlords or sellers. There is no requirement to purchase real estate. We will not lease space and then sublease it to you. The Franchised Location may be in a medical building, strip mall, free-standing building, or other medical facility. A Clinic location will typically be located in an already-existing medical office that ranges in size between 850 square feet and 2,000 square feet. Your actual rent will vary based on the city, county, or state in which space is located, the availability of adequate space, competition for the space, and other factors, and your costs may be significantly higher. Under the MSO Model, the Franchisee will lease the Clinic space and sublease or license it to the Medical Professional. As a result, the rent should be within the same range as it would be under the DCO Model, as reflected in this estimate.

Suitable management office space for the MSO Model is typically included as part of the Clinic footprint, so a Franchisee under the MSO Model does not need to lease separate space. The low estimate assumes that you will be in a location with lower rent or that we have given you the option to co-locate your Franchise with an existing Gameday franchise. The estimates in the table are based on rent payments for three months.

4. Utility Deposits. The low estimate assumes that your utility providers do not require a deposit due to your creditworthiness or status as an existing customer of these utility companies. The high estimate assumes that your utility providers require a deposit.

5. Leasehold Improvements. The Franchised Location may need remodeling to meet our standards. Your expenses will vary depending on whether the Franchised Location was previously used as a healthcare facility, whether you have negotiated terms under your lease that requires the landlord to reimburse any improvement costs, the amount of any local, state, or other fees, taxes, and other factors. We must approve the Franchised Location and approve any construction or improvements in writing. Leasehold-improvement costs will vary based on your city or state, the availability and location of adequate space, and other factors. Under the MSO Model, the Franchisee will lease the space and then sublease or license it to the Medical Professional, and Franchisee will be responsible for any leasehold improvements. The low estimate assumes that you will be in a location with lower rent or that we have given you the option to co-locate your Franchise with an existing Gameday franchise.

6. Bookkeeping Services. You are required to work with our approved bookkeeping service. The bookkeeping service will, at a minimum, work with you to set up your books and help with revenue statements, bank reconciliation, and the calculation of Royalties and other fees due to us. The low number represents three months of fees at $400 per month for the minimum service, and the high number represents this fee at an additional amount per month for the purchase of additional services such as data input. Your cost will depend on the size of your Clinic or MSO, the amount of bookkeeping you complete on your own, and other factors. The approved vendor may increase their monthly fee at any time. We have no control over this and cannot provide such information or costs here.

7. Medical, Exam Room, Laboratory Equipment; Furniture, Fixtures, Equipment and Signage. You must purchase all required medical, exam room, and laboratory equipment (including required diagnostic devices and related accessories) from our approved vendors or as otherwise specified in the Manual (the "Medical Equipment"). The low end of the range assumes a Clinic with fewer exam rooms and a basic configuration of required Medical Equipment; the high end assumes additional exam rooms and a more robust configuration. Actual costs will vary based on vendor pricing, model selection, whether you purchase new or refurbished equipment, shipping, installation, and other factors beyond our control, and you may spend substantially more than the estimates shown.

In addition to the Medical Equipment, you must purchase other furniture, fixtures, equipment, and signage needed to operate the Clinic ("Clinic FF&E"), which may include treatment and exam beds, waiting room seating and tables, an intake/front counter, storage, office furniture and equipment, and interior and exterior signage. These figures are based on estimates only, and your actual costs could be significantly greater.

We may add to, subtract from (and later reinsert), or change the mix or specifications of required Medical Equipment and Clinic FF&E at any time. You will receive at least 60 days' written notice before any such changes become effective. Any changes may result in additional costs and fees to you, and we cannot predict or calculate those additional amounts in advance.

Under the DCO Model, you (the Franchisee) will purchase the Medical Equipment and the Clinic FF&E. Under the MSO Model, the Medical Professional (or its professional entity) will purchase the Medical Equipment, and you will purchase the Clinic FF&E and lease it to the Medical Professional as

described in your agreements. If the Medical Professional purchases the Medical Equipment directly, you may, but are not required to, provide financing or a loan to the Clinic for some or all of those costs, as permitted by your agreements.

8. Technology Set-Up Fee and Three Months Technology Maintenance Fee. Three months before your scheduled opening date, you must pay us a one-time, nonrefundable Technology Set-Up Fee of $3,000 to cover the cost of setting up a landing page for your Model on our website and setting up your Model in our system. You must also prepay $3,000 for the first three months of the Technology Maintenance Fee, calculated at $1,000 per month, which is used to maintain your website presence and provide other technology-based services. See Item 6.

9. Initial Inventory of Consumable Medical Products. You are required to purchase your initial inventory of consumable products (including personal protection equipment (PPE), dressings, syringes, and similar single-use products) only from our approved vendor(s). Your costs will vary depending on your Clinic's size, the availability of the products from approved vendors, shipping, and other variables over which we have no control.

Under the DCO Model, Franchisee will purchase consumable medical products. Under the MSO Model, the Franchisee will not purchase consumable medical products. Those are purchased only by and through the Medical Professional, and the MSO Model Franchisee may offer a loan to the Clinic for such amounts. The low range is for an MSO Model which does not offer a loan to the Clinic for these purchases.

10. Computer System. You must purchase the computer hardware and software we designate (together, the "Computer System") (See Item 11). Medical Professionals and some staff members will have desktop or laptop Computer Systems that they use exclusively. You will also need at least one Computer System for the front intake desk and the back office. The Clinic's administrator will use the Computer System in the back office to deliver the non-medical business management services. Computers are required to have Intel i5 processor, 16 GB RAM, and 512 GB HDD/SSD at a minimum. The Computer System for the administrator must also access the online version of QuickBooks Online Plus. The low estimate represents the purchase of laptop computers for one Medical Professional, one medical staff person, and the Clinic's administrator and one QuickBooks Online Plus license. The high number represents the same purchases for three Medical Professionals, one medical staff member, and the Back Office Administrator) and one QuickBooks Online Plus license (which licenses total). You may have some or all of this equipment. If you do not, each Computer System's hardware could cost $1,000 or more per unit, plus the licenses described above.

Under the MSO Model, Franchisee will directly purchase and lease back to the Medical Professional the Computer Systems (described above).

11. Medical Practice Software. You must obtain a license from our approved vendor for the "Medical Practice Software." This software contains modules allowing the input of Patient notes, the ability to issue prescriptions electronically, and similar applications that allow the Medical Professional to operate in the Clinic. Each Clinic is charged our vendor's then-current fee (now $850 monthly).

Under the DCO Model, Franchisee will purchase the Medical Practice Software. Under the MSO Model, the Franchisee will not purchase the Medical Practice Software. The Medical Practice Software can be purchased only by and through the Medical Professional, and MSO Model Franchisee may offer a loan to the Clinic for such amounts. The low range is for an MSO Model which does not offer a loan to the Clinic for these purchases.

12. Payment Processing Software. If Payment is made to us or one of our affiliates by credit card for any fee required, we may charge a services fee of up to 3.5% of the total transaction. We will also charge a one-time set up fee of $500 plus an annual fee of $99. This range of estimates depends on how much is charged by credit card.

13. Initial Training Fee: Training and Expenses. We can provide training virtually via a self-paced LMS, live video, and/or in person at one of our designated training sites in California, Texas, Florida and Colorado (including two in-person shadow days at one of these sites). We provide Initial Training for an Initial Training Fee of $500 for up to seven attendees provided that all individuals attend the same Initial Training program. You must pay for airfare, meals, transportation costs, lodging and incidental expenses for all Initial Training program attendees (this estimate assumes expenses for two in-person shadow days for up to seven people). If additional Initial Training is required, or more people must be trained, an additional Initial Training fee will be assessed. We are not required to provide Initial Training for any additional Herway franchised business granted to you after you receive Initial Training for your first Herway franchised business; however, we may require you to attend Initial Training for such subsequent franchises in our discretion and you will be responsible for paying the then-current Initial Training Fee and travel-related expenses.

14. Fees Paid for Medical Training; Medical Association Fees. Prior to opening your Clinic, each of the Clinic's Medical Professionals and Clinic Director (collectively, the "Medical Team") must complete our then-current required medical training ("Medical Training"), as discussed in Item 11 below. The amount of these fees will vary depending on the Medical Team member's prior experience, the level of training we require, and the training and certification options selected. The low end of this estimate assumes that the Medical Team members have substantial prior experience, are not required to complete the full Medical Training program, and that some training and association fees may be paid over the first year if permitted by the applicable training provider or association. The high end of this estimate assumes that the Medical Team must complete all required Medical Training and that all related training and association fees are prepaid before opening. See Item 11 for more information regarding Medical Training.

Under the DCO Model, the Franchisee will pay these fees. Under the MSO Model, the Franchisee will not pay these fees; instead, they will be paid by and through the Medical Professional, and the MSO Model Franchisee may offer a loan to the Clinic for some or all of these amounts.

15. Medical Training Expenses. In addition to the fees described in Note 14 of this Item 7, you must pay the travel and attendance expenses associated with Medical Training for all attendees. These expenses may include airfare, lodging, meals, ground transportation, and incidental expenses. The amount of these expenses will vary depending on the number of attendees, the location of the training, the length of the training, and the travel arrangements selected. Medical Training may occur online and/or at locations we designate in California, Texas, Florida, or Colorado, and your actual expenses may be higher or lower than our estimate.

Under the DCO Model, the Franchisee will pay these expenses. Under the MSO Model, the Franchisee will not pay these expenses; instead, they will be paid for by and through the Medical Professional, and the MSO Model Franchisee may offer a loan to the Clinic for some or all of these amounts.

16. Grand Opening. Franchisee must conduct a grand opening advertising, promotional, and presale program for the Clinic, including required approved Grand Opening Advertising, as further described in Item 11. The presale program may begin prior to the Clinic opening and is intended to generate awareness, memberships, appointments, and patient interest before operations commence. This estimate is approximate. Actual costs may vary depending on the size and location of the Clinic and other factors.

Under the MSO Model, Franchisee may elect to charge the Medical Professional for all or a portion of these costs.

17. Digital Marketing Fee and Set-Up Fee. Currently, you must work with us or our designee to help advertise the Clinic ("Digital Marketing" See Item 11). Digital Marketing includes custom microsite development and ongoing maintenance, optimized google rankings, Google My Business account management, keyword targeting, domain/keyword authority, local search engine optimization (SEO), on-page SEO, off page SEO, technical SEO audits, backlink building, landing page network buildouts, competitor analysis, copywriting, and reporting. The Digital Marketing Fee will be paid to us or our designee. This figure represents the first three months of the Digital Marketing Fee, which is currently $2,500 per month per Clinic with a one-time setup fee of $2,500.

18. Insurance. This is an estimate for the first three months of premiums for the required insurance identified in Item 8. Your cost for insurance will vary depending upon the location of the Clinic, your claims-made history with prior or current insurers, and the competition for your insurance business and other factors. This estimate includes the malpractice and similar insurance for the Medical Professional for the DCO Model. This estimate excludes the malpractice and similar insurance for the Medical Professional for the MSO Model. Under the MSO Model, the Medical Professional (and not the MSO Model Franchisee) is responsible for obtaining his/her own malpractice insurance, and that represents the lower range of fees.

19. Staff Costs. To properly operate the Clinic, the Clinic must hire Medical Professionals and similar highly trained staff members, including nurse practitioners, registered nurses, medical assistants, and physician's assistants. In addition, you will have expenses for non-Medical Professionals such as a receptionist and other clerical staff. The monthly fees and salaries for such staff will vary depending on the number of staff members you hire, the availability of properly credentialed persons, your location in the country, competition for such personnel, and other variables over which we have no control. The estimates in the table are based on staff costs for three months.

Under the MSO Model, the Franchisee does not hire any medical staff for the Clinic as medical staff will operate only under the control of the Medical Professional. The staff and employees of the Franchisee under the MSO Model will only be those persons that you choose to hire to help in the management of the non-medical management services. An MSO Model Franchisee may offer a loan to the Clinic for the payment of medical staff costs. The low range is for an MSO Model which does not offer a loan to the Clinic for paying salary for medical staff. The high range represents three months' salary for three Medical professionals and four staff members.

20. Additional Funds – 3 Months. This estimate is for other pre-opening costs and your first three months of necessary operating capital and ongoing fees, medical support fees and medical association fees, and includes fees for professional services, such as hiring a lawyer, accountant or other professional to advise you. The estimate does not include payroll or an owner's salary or draw. Your need for these funds will vary by (i) your geographic location, (ii) your Clinic's methods and practices, (iii) your management skills, experience, and business acumen, (iv) the availability of and effectiveness of your staff, (v) local and national economic conditions, (vi) the market for your products and services, (vii) your non-Medical Professional employees' wages (paid both before you open and for the three months after opening), (viii) competition, (ix) Medical Training fees, medical support fees, and medical association fees (including any fees paid under a payment plan) paid during the initial three months following opening; (x) additional training fees and expenses for replacement or additional trainees; and (xi) sales that you realize during this initial period. Our estimates are based on our experience, the experience of our parent, our affiliates, and our current requirements for Herway Businesses. These figures are estimates only, and we cannot guarantee that you will not have additional expenses in your operations.

21. Total Estimated Initial Investment. We based these estimates on a combination of our experience with the Carlsbad and San Diego Affiliate clinics and many of our affiliates' experience with shared vendors. In particular, for the DCO Model, we also relied on our affiliates' experience in building out and delivering management services to clinics substantially similar to those that Franchisees operating under the MSO Model will open. You should carefully review these figures with your business advisors before making any decisions.

We do not offer direct or indirect financing for any part of your initial investment or any other items.

Area Developer

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
Development Fee for up to two Clinics[(1)]	$99,500	$99,500	Lump Sum	When you sign the Franchise Agreement	Us
Development Fee for up to Three Clinics[(1)]	$137,500	$137,500	Lump Sum	When you sign the Franchise Agreement	Us
Development Fee for up to Four Clinics[(1)]	$173,500	$173,500	Lump Sum	When you sign the Franchise Agreement	Us
Development Fee for up to Five Clinics[(1)]	$207,500	$207,500	Lump Sum	When you sign the Franchise Agreement	Us
Development Fee for up to Six Clinics[(1)]	$239,500	$239,500	Lump Sum	When you sign the Franchise Agreement	Us
Initial Investment for First Clinic[(2)]	$359,324	$498,700			
TOTAL ESTIMATED INITIAL INVESTMENT FOR TWO CLINICS[(3)]	$698,648	$977,900			
TOTAL ESTIMATED INITIAL INVESTMENT FOR THREE CLINICS[(3)]	$1,035,972	$1,455,100			
TOTAL ESTIMATED INITIAL INVESTMENT FOR FOUR CLINICS[(3)]	$1,365,296	$1,924,300			

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
	Low	High			
TOTAL ESTIMATED INITIAL INVESTMENT FOR FIVE CLINICS[3]	$1,692,620	$2,391,500			
TOTAL ESTIMATED INITIAL INVESTMENT FOR SIX CLINICS[3]	$2,017,944	$2,856,700			

Notes:

These estimated initial expenses are our best estimate of the costs you may incur in establishing and operating your Clinics under an Area Development Agreement. We do not offer direct or indirect financing for these items. All expenditures paid to us or our affiliates are uniform and nonrefundable under any circumstances once paid. All expenses payable to third parties are nonrefundable, except as you may arrange for deposits and other payments.

1. Development Fee. See Item 5 for more information on the Development Fee. Area Developers must open a minimum of two Clinics.

2. Initial Investment for First Clinic. These are the estimates to start a Clinic as described in the Single Clinic chart above, excluding the Initial Franchise Fee, which is replaced by the Development Fee. The Digital Marketing Fee is reduced for subsequent Clinics if you open between four and six Clinics. Unless otherwise stated in the Single Clinic chart above or its footnotes, the estimates include both the DCO Model and MSO Model. We have included language regarding what would be paid for by DCO Models and MSO Models, but depending on your state and local law, there may be more or less items that MSO Models will be permitted to acquire directly. Due to different state laws, we may only offer one Model of the Herway franchised business in a certain state(s).

3. Initial Investment for Each Additional Clinic. This includes all fees included in the Initial Investment for the First Clinic, except that the low end does not include the Initial Training Fee and the Digital Marketing Fee decreases to $500 per month for Clinics 4, 5 and 6.

4. This is an estimate of your initial start-up expenses for operating two to six Clinics as an Area Developer.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate your Herway Business according to our System and specifications. This includes purchasing or leasing all products, medications, services, supplies, fixtures, equipment, inventory, computer hardware and software, and real estate related to establishing and operating the Herway Business under our specifications, which may include purchasing these items from: (i) our designees; (ii) approved suppliers; and/or (iii) us or our affiliates. You must not deviate from these methods, standards and specifications without our prior written consent, or otherwise operate in any manner which reflects adversely on our Marks or the System.

Our confidential operations manual ("Franchise Operations Manual") states our standards, specifications and guidelines for all products and services we require you to obtain in establishing and operating your Herway Business and approved vendors for these products and services. We will notify you of new or modified standards, specifications and guidelines through periodic amendments or supplements to the Franchise Operations Manual or through other written communication (including electronic communication such as email or through a system-wide intranet).

You must purchase, install, maintain in sufficient supply and use fixtures, furnishings, equipment, signs and supplies that conform to the standards and specifications described in the Franchise Operations Manual or otherwise in writing.

You and we acknowledge and agree that the selection and use of any equipment and products used in connection with medical services provided by the Medical Professional to its patients will be subject to the Medical Professional's approval based on the Professional Judgment of the Medical Professional. If you or the Medical Professional wish to use any medical equipment or medical related product other than items that we have previously approved, you must first submit a written request for our approval, which we will not unreasonably withhold if the proposed medical equipment or medical product meets our standards and specifications, and any applicable rules or regulations, as determined by the Medical Professionals.

We may change, add to, delete (and then reintroduce) Healthcare Services from time to time, and subject to applicable law, you will be required to comply with such changes. Unless otherwise stated, the information in this Item 8 applies to both Models.

You must purchase all Medical Equipment and Clinic FF&E from our designated or approved vendors. You must utilize our designated electronic medical records service providers, pharmacies, and payment processing vendors. We may add to, subtract from, or change the mix of required equipment at any time. You will be given at least 30 days' written notice before this occurs. Such changes may result in additional costs and fees to you. You must work with us and/or our designee to help with Digital Marketing for your Clinic. You will receive training from us and from our designated provider. We will approve your grand opening and online advertising before placing it in any medium. You are required to work with our approved bookkeeping service. We may change vendors at any time after giving you at least 60 days' written notice. We are the only supplier for the technology services for which you pay the Technology Set-Up Fee and Technology Maintenance Fee. We or our affiliates reserve the right to become the designated supplier of proprietary products and certain services, including payroll processing services.

You must purchase all replacement inventory of consumables, Medical Equipment, Clinic FF&E, communications, customer relationship management services, and lead generation software, and Medical Practice Software only from our approved vendor(s) or otherwise according to our standards and specifications. The purchases may be of new or used equipment, except that all used equipment must be in like-new condition and appropriate for a medical clinic setting. You are required to use our approved vendors for medical training and association fees. Currently, our approved vendors are: BHRT Training Academy, and Biote. We currently require you to establish and maintain a merchant account with Priority Payments for payment processing. You must also enroll your administrators in our required Electronic Medical Records (EMR) system through the Medical Practice Software, currently priced at $850 per month per location, and subscribe to QuickBooks Online Plus for accounting, currently priced at $99 per month ($1,188 annually).

We may require all franchisees and you to add new Healthcare Services, Branded Products, Medical Equipment, Clinic FF&E equipment or other equipment, or other goods or services to those already offered through your Model. You may incur additional expenses, costs, and fees, some of which may be due to an affiliate, a third party for whom we collect funds, or us. A list of approved products and suppliers

is available in the Franchise Operations Manual, or may be provided to you by other written communication. We may amend the list in our discretion.

We reserve the right to change vendors for any of the above at any time, and such change may result in an Affiliate or us being named the sole vendor. We will give you at least 60 days' written notice before making such a change. Any change may result in additional expenses to you. Some of our officers own an equity interest in us and Hillstone Pharmacy, which are approved suppliers. We may also provide certain communications support to you or procure these services on your behalf. Except as stated above, there are no other approved suppliers in which any of our officers owns an interest.

You must use the computer hardware and software, including the point-of-sale system that we periodically designate to operate your Herway Franchise. You must obtain the computer hardware, software licenses, maintenance and support services and other related services that meet our specifications from the suppliers we specify. You may be required to use approved suppliers for certain technology business solutions at your expense that will support your business efficiencies, which may include phone systems, security systems, scheduling software, employee shift/task management software, inventory solutions and any other solutions we may require from time to time in the Franchise Operations Manual.

Insurance

You must obtain and maintain, at your expense, the insurance coverage required under the Franchise Agreement. You must maintain: (a) professional liability (medical malpractice) insurance with limits of at least $1,000,000 per claim and $3,000,000 aggregate, including $1,000,000 in defense-cost coverage and $1,000,000 in sexual abuse and molestation coverage; (b) workers' compensation insurance providing statutory benefits together with employers' liability limits of $1,000,000 for each accident, $1,000,000 disease policy limit, and $1,000,000 disease for each employee; (c) cyber liability insurance with limits of at least $1,000,000; (d) commercial general liability insurance with limits of at least $1,000,000 per occurrence and $2,000,000 aggregate; (e) property coverage for business personal property in an amount of at least $50,000; (f) business income coverage on an actual loss sustained basis; (g) umbrella liability coverage of at least $1,000,000; and (h) hired and non-owned automobile liability coverage of at least $1,000,000; and crime or employee theft coverage of at least $50,000. Employment practices liability insurance and directors' and officers' liability insurance are identified in the client materials as optional coverage, and not as required insurance.

If your franchise relationship is based on the MSO Model, and unless otherwise required by applicable law, you will purchase the insurance described in sections (b) through (h) above, and your Medical Professional will purchase the professional liability insurance identified in subsection (a) above. If your franchise relationship is based on the DCO Model, and unless otherwise required by applicable law, you will purchase all of the insurance described in section (a) through (h). Applicable law may require the Medical Professional and you to purchase additional insurance or a different mixture of the above insurance.

Professional liability insurance (including the Medical Professional's professional liability insurance) may be written on an "occurrence-basis" or "claims-made" basis. An "occurrence-basis" policy provides coverage for a loss arising from acts or omissions occurring during the policy period, even if the claim is made after the policy elapses. If such policy is written on a "claims-made" basis, you must purchase and maintain extended coverage (also known as "tail coverage") that will remain effective after the expiration or earlier termination of the insurance or the Franchise Agreement. Extended coverage may come with additional costs to you.

In all cases, your insurance and that of the Medical Professionals' must name us, our Affiliates, and, if we deem it appropriate, our Affiliates and our officers, directors, equity holders, members, managers, and agents as additional insureds.

The insurance company must be authorized to do business in the state where your Franchised Location is located, and must be approved by us. It must also be rated "A" or better by A.M. Best & Company, Inc. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time. All insurance policies (except for employment liability insurance policies) must be endorsed to: (i) name us, any affiliates we require, and our members, officers, directors and employees as additional named insured parties; (ii) contain a waiver by the insurance carrier of all subrogation rights against us and any such affiliates; and (iii) provide that we receive at least 30 days' prior written notice of the termination, expiration, cancellation, or modification of any required policy.

Should you, for any reason, fail to procure or maintain the insurance required by the Franchise Agreement, as modified from time to time by the Franchise Operations Manual or otherwise in writing, we have the right and authority (but no obligation) to procure such insurance and to charge the same to you, which charges, together with a reasonable fee for our expenses in so acting (see Item 6 above), will be payable to us within 10 days after invoicing. Your failure to have the minimum insurance or our decision to purchase any insurance after your failure to do so is a material breach of the Franchise Agreement.

The mix of the above insurance may change under applicable law; if so, you must comply. We also reserve the right to change the mix of insurance and the policy limits at any time. If we add new coverage or change limits, you will have 60 days to comply.

Although we require certain insurance coverage and may recommend other policies, we do not guarantee that the required or recommended insurance will be adequate to protect your assets fully. You should consult with an insurance professional to determine what coverage may be needed for you and your Model in addition to the minimum required coverage.

We will provide you with a list of our designated and approved suppliers in our Franchise Operations Manual. If you want to use or sell a product or service that we have not yet evaluated, or if you want to purchase or lease a product or service from a supplier or provider that we have not yet approved (for products and services that require supplier approval), you must notify us and submit to us the information, specifications and samples we request. We will use commercially reasonable efforts to notify you within 30 days after receiving all requested information and materials whether you are authorized to purchase or lease the product or service from that supplier or provider. We reserve the right to charge a fee to evaluate the proposed product, service or supplier. We apply the following general criteria in approving a proposed supplier: (1) quality of services; (2) production and delivery capability; (3) proximity to Herway Franchises to ensure timely deliveries of the products or services; (4) the dependability of the supplier; and (5) other factors. The supplier may also be required to sign a supplier agreement with us. We may periodically re-inspect approved suppliers' facilities and products, and we reserve the right to revoke our approval of any supplier, product or service that does not continue to meet our specifications. We will send written notice of any revocation of an approved supplier, product or service. We do not provide material benefits to you based solely on your use of designated or approved sources.

We did not derive revenue from the sale of products or services during our last fiscal year. Our Affiliates did not generate revenue from franchisee's required purchase but reserve the right to do so in the future.

For both Models, the cost of purchases and the leasing of goods and equipment obtained in accordance with our specifications will represent approximately 70% to 90% of your total purchases for the establishment of your Clinic and approximately 30% of your total purchases during the operation of your Clinic.

We receive rebates from certain suppliers that range from 1% to 4% of the total cost of systemwide purchases. We currently do not have purchasing cooperatives. We may develop regional purchasing or distribution cooperatives in your area in the future.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Franchise Agreement ("FA")/ Area Development Agreement ("ADA")	Disclosure Document Item
a. Site selection and acquisition/lease	FA Section 7 ADA Section 6	Items 7 and 11
b. Pre-opening purchases/leases	FA Sections 7 and 19	Items 7, 8 and 11
c. Site development and other pre-opening requirements	FA Sections 7 and 19 ADA Section 7	Items 7 and 11
d. Initial and ongoing training	FA Section 8	Items 6, 7 and 11
e. Opening	FA Sections 7 and 12 ADA Section 7	Items 6, 7, 9 and 11
f. Fees	FA Sections 5, 6, 7, 8, 10, 12, 14, 16 and 20 ADA Section 3	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	FA Sections 9, 12 and 13 ADA Section 12	Items 8, 11, 12, 14 and Exhibit H
h. Trademarks and proprietary information	FA Sections 9, 14 and 17 ADA Section 1	Items 13 and 14
i. Restrictions on products/services offered	FA Section 13	Items 8 and 16
j. Warranty and customer service requirements	FA Section 13	Items 1 and 11
k. Territorial development and sales quotas	FA Section 4 ADA Section 5	Items 1, 11 and 12
l. Ongoing product/service purchases	FA Section 13	Items 8 and 16
m. Maintenance, appearance and remodeling requirements	FA Section 13	Items 7, 8 and 11
n. Insurance	FA Section 19	Items 6, 7 and 8
o. Advertising	FA Section 12	Items 11, 13 and 14
p. Indemnification	FA Section 22 ADA Section 13	Not Applicable
q. Owner's participation/management and staffing	FA Section 10 ADA Section 12	Items 11, 15 and 17
r. Records and reports	FA Section 20	Item 11
s. Inspections and audits	FA Section 21	Items 6 and 11
t. Transfer	FA Sections 15 and 16 ADA Section 9	Item 17

Obligation	Section in Franchise Agreement ("FA")/ Area Development Agreement ("ADA")	Disclosure Document Item
u. Renewal	FA Section 5	Item 17
v. Post-termination obligations	FA Sections 18 and 26 ADA Section 8	Item 17
w. Non-competition covenants	FA Section 18 ADA Section 2	Item 17 and Exhibit H-2
x. Dispute resolution	FA Section 28 ADA Section 17	Item 17

ITEM 10
FINANCING

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

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

Except as listed below, HWF is not obligated to provide you with any assistance.

Pre-opening Obligations

Before you open your Herway Franchise, we (or our designee) will provide the following assistance and services to you:

1. Provide an initial training program (See Franchise Agreement - Section 5.1). We will not provide general business or operations training to your employees or independent contractors. We may provide limited training on the System and brand standards to your key employees. You will be responsible for hiring, training, directing, scheduling and supervising your employees and independent contractors in the day-to-day operations of the Herway Franchise.

2. Loan you one copy of, or allow you digital access to, the Franchise Operations Manual. If printed, the Franchise Operations Manual contains approximately 272 pages. The table of contents for the Franchise Operations Manual is attached to this Franchise Disclosure Document as Exhibit F (See Franchise Agreement - Section 6.1). All mandatory provisions in the Franchise Operations Manual are binding on you, subject to the Professional Judgment exercised by the Medical Professional or any medical staff.

3. Provide you with advice in identifying a suitable location for your Clinic if you request assistance (See Franchise Agreement - Section 7). You must use our approved vendor to advise and counsel you on locating the site for your Clinic. We must approve the site before you sign the lease.

You must locate a proposed site for your Clinic and submit such site location information we require within 30 days of signing the Franchise Agreement. In evaluating a proposed premises, we consider such factors as general location and neighborhood, traffic patterns, parking, size, lease terms, income per capita, existence of competitors, and other physical characteristics. Before leasing or purchasing the site for your Clinic, you must submit to us, in the form we specify, a description of the site, with other information and materials we may reasonably require. We will have 30 days after we receive the information and materials to evaluate the proposed site. If we disapprove of the proposed site, you must select another site, subject to our consent and will have an additional 60 days. You must purchase or lease the site for your Clinic within 60 days after receiving our approval of a site. We generally do not own the

premises for the Clinic and lease it to you. If you do not locate a site that is acceptable to us within 180 days of signing the Franchise Agreement, we may extend the deadline, require you to engage the services of a professional real estate broker of our choosing, or terminate the Franchise Agreement.

4. Review your lease agreement for the premises of your Clinic to ensure that its terms contain our required provisions and otherwise meet our minimum standards (See Franchise Agreement - Section 7.2). We will review the lease within 15 days after receipt. We have the option to require the lease contain certain provisions and be assigned to us by a collateral assignment agreement (Exhibit H of the FDD) or contain the following terms and conditions:

(a) The landlord must agree that the lease and your right, title, and interest under the lease may be assigned to us or our designee without the landlord's consent;

(b) The landlord must provide written notice to us when it gives you notice of any default by you under the lease. We must be given an additional 15 days after your period of cure has run to cure, at our sole option, any such default, and upon the curing of such default, we must be given the right to enter upon the leased premises and assume your rights under the lease as if you had assigned the lease to us; and

(c) Under the MSO Model, your lease must allow for the subleasing of the space to the Medical Professional.

5. Once the lease is approved and signed, subject to applicable law, you will license the space to the Medical Professional under such terms as you may negotiate. You must take all other steps necessary under applicable law to ensure that the Medical Professional's subletting maintains the separation between the Medical Professional's ownership of the medical practice and your right to deliver the MSO Services.

6. Once you have an approved premises for your Clinic, we will designate a territory. If you sign an Area Development Agreement, we will designate the Development Territory before you sign the Area Development Agreement.

7. We will provide a copy of our basic specifications for the design and layout for the premises of the Clinic. You are responsible for the costs of construction and remodeling. We do not assist you in conforming the premises to local ordinance and building codes nor do we assist you in obtaining any required permits. We do not assist you in remodeling or decorating your Clinic (Franchise Agreement - Section 7.3.).

8. We will provide you with a written list of furniture, fixtures, equipment, products and services (or specifications for such items) you must purchase for the development and operation of your Herway Franchise and a list of any designated or approved suppliers for such items. You are responsible for the costs and expense of delivery and installation of all equipment, furniture, fixtures, equipment, signs or other supplies as specified in the Franchise Operations Manual (See Franchise Agreement – Section 9.1). All mandatory provisions in the Franchise Operations Manual are binding on you, subject to the Professional Judgment exercised by the Medical Professionals.

We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase an additional or existing Herway Franchise.

Continuing Obligations

During the operation of your Herway Franchise, we (or our designee) will provide the following assistance and services to you:

1. Inform you of mandatory standards, specifications and procedures for the operation of your Herway Franchise (See Franchise Agreement - Sections 4.2, 7.3, 12.2, 12.6, 12.7, 12.8 and 17.1).

2. Upon reasonable request, provide advice regarding your Herway Franchise's operation based on reports or inspections. Advice will be given during our regular business hours and through written materials, electronic media, telephone or other methods in our discretion (See Franchise Agreement - Section 6.3).

3. Provide additional training to you for newly hired personnel on the Herway brand and System guidelines, refresher training courses and additional training or assistance that you request or we determine, in our discretion, you need. You may be required to pay additional fees for this training or assistance (See Franchise Agreement - Section 5).

4. Allow you to continue to use confidential materials, including the Franchise Operations Manual and the Marks (See Franchise Agreement - Sections 6.1, 12.1, 12.2, 14.2 and 17).

Schedule for Opening

The typical length of time between signing the Franchise Agreement or the payment of any fees and the opening of your Herway Franchise can range from three to six months. Some factors which may affect this timing are your ability to acquire a location through lease or purchase negotiations; your ability to secure any necessary financing; your ability to comply with local zoning and other ordinances; your ability to obtain any necessary permits and certifications; the timing of the delivery of equipment, tools and inventory; the time to convert, renovate or build out the premises for your Herway Franchise; and your ability to enter into an MSA acceptable to us with a Medical Professional (if you operate the MSO Model).

You must open your Herway Franchise to the public within 12 months of signing the Franchise Agreement (the "Opening Deadline").

If you are an Area Developer, you must sign the Initial Franchise Agreement at the same time you sign the Area Development Agreement. The typical length of time between the signing of the Franchise Agreement and the opening of your first Herway Franchise under an Area Development Agreement is the same as for a single Herway Franchise. Each additional Herway Franchise you develop must be opened according to the terms of the following Development Schedule, depending on the number of Clinics you purchase:

Clinics to be opened under an Area Development Agreement	Opening Deadline
First Clinic	9 months from signing the Area Development Agreement
Second Clinic	20 months from signing the Area Development Agreement
Third Clinic	30 months from signing the Area Development Agreement
Fourth Clinic	40 months from signing the Area Development Agreement
Fifth Clinic	50 months from signing the Area Development Agreement
Sixth Clinic and any additional Clinics	60 months from signing the Area Development Agreement and 10 months thereafter for each additional Clinic beyond the sixth.

The determination of the territory and the site selection and acceptance process for each Clinic under an Area Development Agreement is the same as that for a single Clinic and will be governed by the Franchise Agreement signed for that location.

Co-Branding

If you are an existing Gameday franchisee and we approve you to operate your Franchised Business in a co-branded, co-located, or shared-premises arrangement with a Gameday Men's Health business, you may be required to sign our Co-Branding / Co-Location Addendum. That addendum may impose additional requirements relating to site approval, floor plan, signage, separation of brands, approved shared resources, staffing, websites, social media, technology systems, books and records, and de-branding or separation obligations if the arrangement later ends. We may deny, condition, or revoke approval of any such arrangement.

Optional Assistance

During the term of the Franchise Agreement, we (or our designee) may, but are not required to, provide the following assistance and services to you:

1. Modify, update or change the System, including the adoption and use of new or modified trade names, trademarks, service marks or copyrighted materials, new products, new equipment or new techniques.

2. Provide you with marketing materials for your Herway Franchise, which may include videos for television advertisements, audio for radio advertisements, brochures, handouts and mailers. These materials will generally be provided as templates. You may be required to modify such materials for your local market. Upon request, we may provide modifications to these materials. There may be a fee charged for any modification. You may but are not required to use the marketing materials we provide. We will provide the materials at no charge, but you are responsible for any printing, airing or other costs associated with using the advertising materials. You are responsible for ensuring any advertisements made on behalf of your Herway Franchise comply with the applicable advertising laws of your state.

3. Make periodic visits to the Clinic for the purpose of assisting in all aspects of the operation and management of the Herway Franchise, prepare written reports concerning these visits outlining any suggested changes or improvements in the operation of the Herway Franchise, and detailing any problems in the operations which become evident as a result of any visit. If provided at your request, you must reimburse our expenses and pay our then-current training charges.

4. Maintain and administer a Brand Fund. We may dissolve the Brand Fund upon written notice (See Franchise Agreement - Section 11.1).

5. Hold periodic national or regional conferences to discuss business and operational issues affecting Herway franchisees.

6. Reserve the right to establish minimum and maximum resale prices for use with multi-area marketing programs and special price promotions as allowed by law.

Advertising

Grand Opening

Beginning 60 days before and ending 60 days after the Opening Deadline, you must conduct a Grand Opening Program. We anticipate that the entire cost for the Grand Opening Program, including collateral materials, staffing, and other related expenses, including advertising, marketing, and promotion thereof, will be $20,000 to $25,000 (see Item 7). We must approve the grand opening plans and advertising (see below). The grand opening will occur on a date that is mutually acceptable to both of us.

Brand Fund

The Brand Fund is for marketing, developing, and promoting the System, the Marks and Herway Franchises. You must pay 2% of your monthly Gross Revenue to the Brand Fund ("Brand Fund Fee"). We reserve the right to increase the Brand Fund Fee to 3% upon 30 days' written notice. Your Brand Fund Fee will be in addition to all other advertising requirements set out in this Item 11. Each franchisee will be required to contribute to the Brand Fund, but certain franchisees may contribute on a different basis depending on when they signed their Franchise Agreement. Herway Businesses owned by us will not contribute to the Brand Fund .

The Brand Fund will be administered by us, or our affiliate or designees, at our discretion, and we may use national and/or regional advertising agencies as the source for our advertising materials, or we may prepare them in-house. We may keep the Brand Fund in a separate operating, commercial, or savings account, or we may keep it in our general operating account. We may allocate all or a portion of the Brand Fund Fee to a regional advertising program as described below.

We have complete discretion on how the Brand Fund will be utilized. We may use the Brand Fund for any expenditure that we, in our sole discretion, deem necessary or appropriate to promote or improve the System or the Herway brand. For example, we may use the Brand Fund for: (i) developing, maintaining, administering, directing, preparing or reviewing advertising and marketing materials, promotions and programs, including social media management; (ii) public awareness of any of the Marks; (iii) public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development (including social media) and search engine optimization; (vii) development and implementation of quality control programs; (viii) conducting market research; (ix) changes and improvements to the System; (x) the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) collecting and accounting for Brand Fund Fees; (xii) preparing and distributing financial accountings of the Brand Fund; (xiii) conducting quality assurance programs and other reputation management functions; (xiv) local consumer marketing specifically intended to drive traffic to one or more locations, whether opened by us or a franchisee; and (xv) our and our affiliates' expenses associated with direct or indirect labor, administrative, overhead, or other expenses incurred in relation to any of these activities.

We do not guarantee that advertising expenditures from the Brand Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all. We are not obligated to spend any amount on advertising in the geographical area where you are or will be located. We will not use the Brand Fund Fees for advertising that is principally a solicitation for the sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating "Franchises Available" or similar phrasing.

We assume no fiduciary duty to you or other direct or indirect liability or obligation to collect amounts due to the Brand Fund or to maintain, direct or administer the Brand Fund. Any unused funds that

were collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable.

The Brand Fund is not audited. Upon your written request, we will make available an annual accounting for the Brand Fund that shows how the Brand Fund proceeds have been spent for the previous year. We did not collect or spend any Brand Fund Fees during our last fiscal year, ended on December 31, 2025.

Digital Marketing

In addition to the Grand Opening Program and Brand Fund Fees, you will pay us the then-current Digital Marketing Fee (currently, you will pay $2,500 per month per Clinic that you operate, with your fourth and subsequent Clinics being subject to a reduced Digital Marketing Fee, currently $500 per month per Clinic). Additionally, for each Clinic you operate, you will pay a one-time $2,500 digital marketing setup fee three (3) months before the scheduled opening date for your Clinic (See Items 5 and 7). The Digital Marketing Fee is currently collected monthly.

Currently, your monthly Digital Marketing Fee is paid to us to provide and deliver Digital Marketing for your Clinic, beginning three months before your scheduled opening date. We may instead require you to pay all or part of the Digital Marketing Fee to our designated vendor. A Digital Marketing Fee will be due for each Clinic you operate. The Digital Marketing Fee is used to provide or procure Digital Marketing services and associated overhead operating costs and expenses we incur. We may use your Digital Marketing Fee for Digital Marketing both within and outside of your Exclusive Territory, but your Digital Marketing Fee payments will only be used for Digital Marketing for your Clinic at this time. However, in the future, we may increase your Digital Marketing Fee as described above, and may also change the mix of Digital Marketing Services to include other local marketing services (including regional advertising programs as described below).

If we assign our right to provide Digital Marketing and collect any portion of the Digital Marketing Fee to any third party ("DM Vendor"), subject to applicable laws concerning the protection of the Patient and Clinic records and the Medical Professional/Patient relationship, we will have independent access to the DM Vendor's records to audit your use of the Marks and any other purpose. There are no contractual limitations on our right to access this information. We reserve the right to designate or change DM Vendors; bring such services in-house; suspend (and then reinstate) or terminate (and then reinstate) the Digital Marketing program at any time and implement an alternative marketing program or make any other changes we deem appropriate after giving you at least 60 days' written notice.

Any advertising is subject to our policies. For grand opening advertising or any additional advertising that you place, we must approve your proposed advertising materials before placing them in any medium. The proposed advertising must be delivered to us no later than 30 calendar days before placement. We will have 30 days to review it and provide comments (if any). The proposed advertising materials are deemed to be disapproved if we do not deliver the written notice to you of our approval or disapproval within that time. In our sole discretion, we may revoke our approval of any advertising materials at any time. Your Digital Marketing Fee may be used in the Regional Advertising Program, as described below.

If you wish to conduct additional local advertising online, you must follow our online policy, which is contained in our Franchise Operations Manual. For any additional local advertising you elect to spend, you must obtain our approval as described above. Our online policy may change as technology and the Internet changes. Under our online policy, we may retain the sole right to market on the Internet, including all use of websites, domain names, advertising, and co-branding arrangements. We may restrict your use

of social media. We may not allow you to independently market on the Internet, or use any domain name, address, locator, link, metatag, or search technique with words or symbols similar to the Marks. We intend that any franchisee website will be accessed only through our home page. Subject to applicable laws concerning the protection of the Patient and Clinic records and the Medical Professional/Patient relationship, we will monitor any online content and access your records to audit your use of the Marks and any other purpose.

Upon 30 days' prior written notice to you, we may allocate all or a portion of the Brand Development Fees or Digital Marketing Fees to a regional advertising program (a "Regional Advertising Program") for the benefit of Clinics located within a designated geographic territory. We will define the territories and require all franchisees and company-owned Models within such territories to contribute. We will control and administer Regional Programs, though we reserve the right to transfer such control to the participants in the Regional Advertising Program. There will be no written governing documents. We will prepare unaudited annual financial statements for each Regional Advertising Program. Upon your prior written request, we will make such unaudited annual financial statements available no later than 120 days after the end of each calendar year. Franchisees in each Regional Advertising Program will contribute an amount to the cooperative for each Clinic that the franchisee owns that exists within any cooperative's geographic area. Each Clinic in the Regional Advertising Program will have one vote in the Regional Advertising Program.

System Website

We have established a website for Herway Franchises ("System Website"). We intend that any franchisee website will be accessed only through our System Website. We have the right to use the Brand Fund's assets to develop, maintain and update the System Website. We may update and modify the System Website from time to time. You must promptly notify us whenever any information on your listing changes or is not accurate. We have final approval rights of all information on the System Website. We may modify, update or add to the System Website at any time.

We are only required to reference your Herway Franchise on the System Website while you are in full compliance with your Franchise Agreement and all System standards.

Advisory Council

We currently do not have, but may form, an advisory council ("Council") to advise us on advertising policies. The Council would be governed by bylaws. Members of the Council would consist of both franchisees and corporate representatives. Members of the Council would be selected by the corporate executive team. The Council would serve in an advisory capacity only. We will have the power to form, change or dissolve the Council, in our sole discretion.

Computer System

You must purchase the computer hardware and software we designate (together, the "Computer System"). Under both Models, at least one Computer System must also have a license for QuickBooks Online Plus. Clinics must also purchase a license for the Medical Practice Software at its then-current fee (now $850 per month). DCO Models will purchase the Medical Practice Software directly, under MSO Models, the Medical Professional will purchase the Medical Practice Software. You agree to install and maintain all hardware and software that we designate on the Computer System that we designate such as accounting software credit card processing and point-of-sale hardware and software, firmware, web technologies or applications, printers, internet connectivity devices and other related accessories and

peripheral equipment. You must also pay us the monthly Technology Maintenance Fee and a one-time Technology Set-Up fee described in Item 6.

Computers are required to have Intel i5 processor, 16 GB RAM, and 512 GB HDD/SSD at a minimum. Both Models may require you to purchase between three and six Computer Systems for approximately $4,000 to $6,000, plus the above software. You will also configure each Computer System with sufficient antivirus software and must comply with applicable laws relating to Patient and Clinic information protection. You must maintain each Computer System as often as necessary to keep it operational, which could cost $100 to $500 per Computer System per year. We may require you to update one or more Computer Systems every five years, when you are awarded successor franchise rights, or are permitted to transfer your franchise rights. This could cost $1,000 or more per Computer System. You are not currently required to purchase a Computer System maintenance contract. We have no criteria for this and no formula for estimating such costs and cannot provide an estimate.

You must maintain high-speed Internet access to each Computer System station and use your best efforts to keep all equipment connected, powered on, and in good working order to ensure our access to the information and data regarding your Clinic. We are not required to provide you with any ongoing maintenance, repairs, upgrades, updates or support for the Computer System (Franchise Agreement - Section 12.6). You must arrange for installation, maintenance and support of the Computer System at your cost. There are no limitations in the Franchise Agreement regarding the costs of such required support, maintenance, repairs or upgrades relating to the Computer System.

The cost of maintaining, updating, or upgrading the Computer System or its components will depend on your repair history, costs of computer maintenance services in your area, and technological advances. We estimate the annual cost will be approximately $500 to $1,500, but this could vary (as discussed above). We may revise our specifications for the Computer System periodically.

You must pay our then-current technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies, which may include phone systems, security systems, scheduling software, employee shift/task management software, music subscription, inventory solutions and any other solutions we may require from time to time in the Franchise Operations Manual for your Herway Franchise. We reserve the right to upgrade, modify and add new systems and software, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems or software and for any increase in fees from third-party providers.

We (or our designee) have the right to independently access the electronic information and data relating to your Herway Franchise and to collect and use your electronic information and data in any manner, including to promote the System and the sale of Herway Franchises. This may include posting financial information of each franchisee on an intranet website. Subject to applicable privacy laws, such as HIPAA, there is no contractual limitation on our right to receive or use information through our proprietary data management and intranet system. We may access the electronic information and data from your Computer System remotely, in your Clinic or from other locations.

Training

Initial Training

For your first Herway Business that you open, your Responsible Owner, you, your Franchise Manager and other non-medical staff that we designate, must satisfactorily complete our Initial Training

program before you open. You will pay a $500 Initial Training Fee, which will include the initial training program for up to seven attendees.

Initial Training will generally be done through an online, self-paced set of modules ("Virtual Training") in addition to two in-person shadow days at one of our designated training sites ("Shadow Day(s)"). We will use the Franchise Operations Manual and online software as the primary instruction materials during the Initial Training program. We reserve the right to waive a portion of Initial Training or alter the training schedule at our discretion. You must pay for all airfare, meals, transportation costs, lodging and incidental expenses for all Initial Training program attendees.

If you or your designated trainees fail to complete Initial Training to our satisfaction, we have the right to terminate your Franchise Agreement, though all covenants that are required to survive termination of the Franchise Agreement will survive.

We will only provide Shadow Days to replacement or additional trainees during the first year following the opening of your Herway Business, as outlined below.

If you replace or hire an additional Franchise Manager, Responsible Owner or other required trainee during the first 90 days following the opening of your Herway Business, the Franchise Manager, Responsible Owner or other required trainee must attend the complete Initial Training program (currently, the Shadow Days and the Virtual Training).

If you replace or hire an additional Franchise Manager, Responsible Owner or other required trainees after the first 90 days that your Herway Business is open, but within the first year, you will have the option to have your additional or replacement Franchise Manager, Responsible Owner or other required trainees attend the Initial Training program.

If your Herway Business has been open for more than one year, we will not offer Shadow Days to replacement or additional trainees; however, these trainees will have the option to complete the Virtual Training.

We reserve the right to charge our then-current additional training fee for replacement or additional trainees, currently $200 per person, per day for each Shadow Day. You will also pay for any transportation and expenses incurred while attending Shadow Days or other in-person training. We do not charge a fee for the Virtual Training for replacement or additional trainees. The availability of this training is subject to space considerations and prior commitments to other franchisees.

If you propose selling or transferring your Model or any interest in your franchise rights, part of our approval process requires the transferee to attend Initial Training and pay the then-current Additional Personnel and Transferee Training Fee ($2,500 per person for transferee trainees). (Item 6).

You will not receive any compensation or reimbursement for services or expenses for participation in the initial training program. You are responsible for all your expenses to attend any training program, including lodging, transportation, food and similar expenses. We plan to provide the training listed in the table below.

TRAINING PROGRAM

Subject	Hours of Classroom Training*	Hours of On-the-Job Training	Location
Classroom Core 4	4 -8	0	Currently, virtually and/or at a location in California, Colorado, Texas, Florida or another location we designate.
Classroom Clinic Roles	6 - 8	0	Currently, virtually and/or at a location in California, Colorado, Texas, Florida or another location we designate.
Clinic Shadow Day(s)	0	8 - 16	Currently, at a location in California, Colorado, Texas, Florida or another location we designate.
Vendor Relations, Marketing and Coaching Classroom	3 - 8	0	Currently, virtually and/or at a location in California, Colorado, Texas, Florida or another location we designate.
Total	13 - 24	8 - 16	

*Some or all of classroom training may be virtual.

Stephen Mercurio will direct and implement the Initial Training Program and supervise our trainers. He has served as our Chief Operating Officer since December 2025 and has worked in the industry since January 2019. The trainers will be various individuals employed by us or our affiliates. All trainers will have at least one year of experience in the subject(s) they are training you in. In the future, other persons who are active in our business's operations and administrative side may assist with Initial Training. As we have not identified such personnel, we cannot now provide their experience or other information.

Ongoing Training

From time to time, we may require that you or your Responsible Owner, Franchise Manager and other employees attend system-wide refresher or additional training courses. Some of these courses may be optional, while others may be required. If you appoint a new Responsible Owner or transfer ownership, or if you hire a new Franchise Manager, that person must attend and successfully complete our initial training program before assuming responsibility for the management of your Herway Franchise. You may also request that we provide additional training (either at corporate headquarters or at your Clinic). You must pay us $950 per trainee per day for additional training, and you must pay for airfare, meals, transportation costs, lodging and incidental expenses for all of your training program attendees. If we determine that you are not operating your Herway Franchise in compliance with the Franchise Agreement or the Franchise Operations Manual, we may require that your Responsible Owner, Franchise Manager and other employees attend remedial training. You will be required to pay us the then-current training fee for any such training. If the training program is conducted at your Clinic, you must reimburse us for the expenses we or our representatives incur in providing the training. Our training is not intended to provide continuing education to a Medical Professional or other staff members.

In addition to participating in ongoing training, you will be required to attend any national or regional meeting or conference of franchisees. You are responsible for any conference fee and all travel and expenses for your attendees.

Medical Training

In addition to the initial training program, all Medical Professionals who will administer, when clinically appropriate, Healthcare Services at the Clinic, must participate in Medical Training for the specific Healthcare Service, which is provided by our approved training vendors (currently, BHRT Training Academy, Biote, and other designated medical providers). Medical Training is not conducted by us.

Currently, these are the medical training and ongoing support fees and medical association fees and approved vendors for the first year:

Approved Vendor	Fees
Executive Medical or other designated medical entities – general medical training	$500 for training your Medical Team
BHRT Training Academy – training for hormonal treatments	$2,997 plus $297 for certification per provider
Biote - pellet procedure training	$1,500 cost for 1 provider, $700 for a second provider
Injection, ultrasound, and PRP training*	$5,000 per provider**

*At the time of the issuance of this Franchise Disclosure Document, we do not currently have approved vendors for injection, ultrasound, and PRP training, but you will be required to receive such training from vendors we designate and approve.

**Such training may be offered by one supplier, but, depending on the area where you operate the Clinic, you may receive such training from multiple vendors. Nevertheless, we estimate that the entire combined cost of such training, consolidated or otherwise will be $5,000 per provider.

We estimate the cost of Medical Training to be between $10,000 and $17,000. This requirement applies to all Medical Professionals, whether or not employed by you and whether or not you operate a DCO or an MSO Model. If you operate an MSO Model, you must enter into an MSA prior to the Clinic opening with enough time for the Medical Professional to complete required Medical Training.

ITEM 12
TERRITORY

Franchise Agreement

You may operate your Herway Business only at the approved location. The approved location for your Clinic will be listed in the Franchise Agreement. If you have not identified an approved location for your Clinic when you sign the Franchise Agreement, as is typically the case, you and we will agree on the approved location in writing and amend the Franchise Agreement after you select and we approve the approved location. You are not guaranteed any specific approved location, and you may not be able to obtain your top choice as your approved location. You may not conduct your Herway Business from any other location.

Under both Models, once the Clinic location and lease are approved, we will assign you an "Exclusive Territory"), which will continue in force during the initial term of your Franchise Agreement. This means that during the term of the Franchise Agreement we will not establish, nor permit anyone else to establish, another Herway Business within the Exclusive Territory. The perimeter of the Exclusive Territory will be an area which will encompass the lesser of a three-mile area or a population of

approximately 100,000 people (based on the population-mapping software we use), and will ultimately be defined by physical or geographic limitations, ZIP codes, political subdivisions, or other boundaries but will have no specific geometric shape. The Exclusive Territory of the MSO Model is the same as that of the DCO Model, as you will manage a Clinic located within your Exclusive Territory.

You are prohibited from directly marketing to or soliciting customers whose principal residence is outside of your Exclusive Territory. However, you may accept and serve any customer who walks into your clinic seeking services, regardless of where they live, so long as you did not actively solicit them outside of your Exclusive Territory. We do not currently but plan in the future to develop a telehealth and e-commerce platform (our "Online Platform"), where customers have the option to select which location they want to work with and which you will be required to use as we may from time to time determine under the System and the brand standards. Once established, you may not sell products through other channels of distribution such as wholesale, Internet or mail order sales except through our Online Platform, if any, and subject to all then-current Herway regulations. You may not create, operate, or use your own telehealth, e-commerce, or online sales platform without our prior written consent. For any sales made through our Online Platform, we may collect all proceeds directly and distribute to you your share of those proceeds in the amount and on the schedule, we determine in our sole discretion. If you renew your Franchise, your Exclusive Territory may be modified depending on the then-current demographics of the Exclusive Territory, and on our then-current standards for territories.

We retain all territory rights (for ourselves and our affiliates) not expressly granted to you. We may use the Marks or the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Exclusive Territory. We and our affiliates have the right to operate, and to license others to operate, Herway Franchises at any location outside the Exclusive Territory, even if doing so will or might affect your operation of your Herway Franchise. You are not granted any rights to use alternative channels of distribution, such as wholesale, telehealth, internet or mail order sales and may not independently market on the internet or conduct e-commerce unless we have expressly allowed you to do so under our online policy in the Franchise Operations Manual. In our sole discretion, we may permit you to take part in our ecommerce.

We may use trademarks other than the Marks to sell any products or services similar to those which you will sell within or outside of the Exclusive Territory. We may purchase, be purchased by, merge or otherwise acquire competitive businesses within and outside the Exclusive Territory. If such a situation occurs, the newly acquired businesses may not operate under the Marks in the Exclusive Territory but may operate under the System. We may implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere. We have the right to issue mandatory policies to coordinate such multi-area marketing programs. Although we reserve the rights described, neither we nor any affiliate, operates, franchises or has plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other Franchises.

We are not required to pay you if we exercise any of our rights within your Exclusive Territory. The continuation of the Exclusive Territory is not dependent upon your achievement of a certain sales volume, market penetration or other contingency (other than complying with the terms of the Franchise Agreement). We will not be required to pay any compensation for soliciting or accepting orders inside your Exclusive Territory.

You may not relocate your Herway Business without our prior written approval. We may approve a request to relocate your Herway Business in accordance with the provisions of the Franchise Agreement that provide for the relocation of your Clinic, and our then-current site selection policies and procedures. If you want to relocate your Clinic within your Exclusive Territory, you must provide us with at least 90 days'

notice of your desire to relocate. If you find a suitable location, we will have 30 days to review the proposed relocation site and lease, if applicable. You must also pay us the Relocation Fee described in Item 6.

You do not receive the right to acquire additional Herway Franchises unless you purchase the right in your Area Development Agreement. You are not given a right of first refusal on the sale of existing Herway Franchises.

If you wish to purchase an additional Herway Franchise, you must apply to us, and we may, at our discretion, offer an additional Herway Franchise to you. We consider a variety of factors when determining whether to grant additional Herway Franchises to existing franchisees. Among the factors we consider, in addition to the then-current requirements for new Herway franchisees, are whether or not the franchisee is in compliance with the requirements under their current Franchise Agreement, and the overall performance of your Herway Franchise.

Area Development Agreement

You are assigned a Development Territory in the Area Development Agreement. You must develop a designated number of Herway Franchises in the Development Territory. The size of the Development Territory will depend on the number of Herway Franchises to be developed, the demographics of the territory, the population and other factors. The size of the Development Territory may be a single or multi-city area, single county area or some other area, and will be described in Attachment A of your Area Development Agreement. We will determine the Development Territory before you sign the Area Development Agreement based on various market and economic factors. In certain densely populated metropolitan areas, a Development Territory may be small if it has a high population density, while Development Territories in less densely populated urban areas may have significantly larger areas. The determination of the territory and the site selection and acceptance process for each Clinic under an Area Development Agreement is the same as that for a single Clinic and will be governed by the Franchise Agreement signed for that location.

The Development Territory will be an exclusive territory for the development of Herway Franchises during the term of the Area Development Agreement so long as you are in compliance with the Area Development Agreement and each other agreement with us. This exclusivity grants you the exclusive rights to open a certain number of Franchises in the Development Territory. The rights granted under the Area Development Agreement relate only to the development of the Herway Franchises identified in the Area Development Agreement. So long as you are in compliance with the Area Development Agreement, we will not establish or franchise others to establish another Herway Franchise within your Development Territory during the term of the Area Development Agreement.

We may conduct any other type of activities within your Development Territory that we are permitted to conduct under the Franchise Agreement. The Development Territory will terminate upon the earlier of completion of the Development Schedule or the termination of the Area Development Agreement, provided however that if you are at all times in full compliance with the Development Schedule and Area Development Agreement, the Development Territory and associated territorial protections you receive in the Area Development Agreement will not expire any earlier than the end of the initial term of the first franchise agreement signed under the Area Development Agreement. After the termination or expiration of the Area Development Agreement, the only territorial protections that you will receive upon termination will be those under each individual franchise agreement.

Your failure to adhere to the Development Schedule will constitute a material event of default under the Area Development Agreement and we may: (i) terminate the Area Development Agreement; (ii) reduce

the area of the Development Territory; (iii) permit you to extend the Development Schedule; or (iv) pursue any other remedy we may have at law or in equity, including, but not limited to, a suit for non-performance.

Area Developers must own at least a fifty-one percent (51%) equity interest in the franchisee for each Herway Franchise developed under the Area Development Agreement.

Co-Branded, Co-Located Territory

Any co-branded, co-located, adjacent, or shared-premises operation with a Gameday Men's Health business requires our separate written approval and is subject to a separate Co-Branding / Co-Location Addendum. Reservation of a territory does not itself grant any right to operate a co-branded or co-located business.

Gameday Men's Health franchises may operate within your Exclusive Territory or your Development Territory and may be owned by us, our affiliate(s), or a third party. The presence of a Gameday Men's Health franchise in your territory does not grant you any right or obligation to co-brand, co-locate, or otherwise associate with that Gameday Men's health franchise.

ITEM 13
TRADEMARKS

The Marks and the System are owned by IP Affiliate and are licensed exclusively to us. IP Affiliate has granted us an exclusive license ("Trademark License") to use the Marks to franchise the System around the world. The Trademark License is for 10 years and began on December 31, 2025. It will automatically renew for subsequent 10-year periods so long as we are not in default or do not materially breach the Trademark License. If the Trademark License is terminated, IP Affiliate has agreed to license the Marks directly to our franchisees until each franchise agreement expires or is otherwise terminated. Except for the Trademark License, no agreement significantly limits our right to use or license the Marks in any manner material to the Herway Franchise. IP Affiliate has applied to register the following trademarks with the United States Patent and Trademark Office ("USPTO"):

Mark	Serial No.	Filing Date	Status
HER WAY HEALTH + HORMONES	98,441,448	March 8, 2024	Pending on the Principal Register
HERWAY	99,900,967	June 23, 2026	Pending on the Principal Register

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

There are no effective adverse material determinations of the USPTO, the Trademark Trial and Appeal Board or the trademark administrator of any state, or any court, and no pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. All required affidavits and renewals have been filed.

We do not know of any superior prior rights or infringing uses that could materially affect your use of the trademarks. You must follow our rules when using the Marks. You cannot use our name or Mark as part of a corporate name or with modifying words, designs or symbols unless you receive our prior

written consent. You must indicate to the public in any contract, advertisement and with a conspicuous sign in the premises of your Clinic that you are an independently owned and operated licensed franchisee of Herway. You may not use the Marks in the sale of unauthorized products or services or in any manner we do not authorize. You may not use the Marks in any advertising for the transfer, sale or other disposition of the Herway Franchise, or any interest in the Herway Franchise. All rights and goodwill from the use of the Marks accrue to us.

If you operate the MSO Model, we reserve the right to license the Marks directly to the Medical Professional with which you have entered into an MSA.

We will defend you against any claim brought against you by a third party that your use of the Marks, in accordance with the Franchise Agreement, infringes upon that party's intellectual property rights. We may require your assistance, but we will exclusively control any proceeding or litigation relating to our Marks. We have no obligation to pursue any infringing users of our Marks. If we learn of an infringing user, we will take the appropriate action, but we are not required to take any action if we do not feel it is warranted. You must notify us within three business days if you learn that any party is using the Marks or a trademark that is confusingly similar to the Marks. We have the sole discretion to take such action as we deem appropriate to exclusively control any litigation or administrative proceeding involving a trademark licensed by us to you.

If it becomes advisable at any time, in our sole discretion, for us and/or you to modify or discontinue using any Mark and/or use one or more additional or substitute trademarks or service marks, you must comply with our directions within 30 days after receiving notice. We will not reimburse you for your direct expenses of changing signage, for any loss of revenue or other indirect expenses due to any modified or discontinued Mark, or for your expenses of promoting a modified or substituted trademark or service mark.

You must not directly or indirectly contest our right to the Marks. We may acquire, develop and use additional marks not listed here, and may make those marks available for your use and for use by other franchisees.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information in the Franchise Operations Manual is proprietary and is protected by copyright and other laws. The designs contained in the Marks, the layout of our advertising materials, the ingredients and formula of our products and recipes, and any other writings and recordings in print or electronic form are also protected by copyright and other laws. Although we have not applied for copyright registration for the Franchise Operations Manual, our advertising materials, the content and format of our products or any other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information ("Copyrighted Works") for the operation of your Herway Franchise, but such copyrights remain our sole property.

There are no effective determinations of the United States Copyright Office or any court regarding any Copyrighted Works of ours, nor are there any proceedings pending, nor are there any effective agreements between us and third parties pertaining to the Copyrighted Works that will or may significantly limit using our Copyrighted Works.

Our Franchise Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our System, standards, specifications, policies, procedures, information, concepts and systems on, knowledge of, and experience in the development, operation and franchising of Herway Franchises, our training materials and techniques, information concerning product and service sales, operating results, financial performance and other financial data of

Herway Franchises and other related materials are proprietary and confidential ("Confidential Information") and are our property to be used by you only as described in the Franchise Agreement and the Franchise Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("Trade Secrets"). You must maintain the confidentiality of our Confidential Information and Trade Secrets and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and Confidential Information.

We will disclose parts of the Confidential Information and Trade Secrets to you as we deem necessary or advisable for you to develop your Herway Franchise during training and in guidance and assistance furnished to you under the Franchise Agreement, and you may learn or obtain from us additional Confidential Information and Trade Secrets during the term of the Franchise Agreement. The Confidential Information and Trade Secrets are valuable assets of ours and are disclosed to you on the condition that you, and your owners if you are a business entity, and employees agree to maintain the information in confidence by entering into a confidentiality agreement we can enforce. Nothing in the Franchise Agreement will be construed to prohibit you from using the Confidential Information or Trade Secrets in the operation of other Herway Franchises during the term of the Franchise Agreement.

You must notify us within three business days after you learn about another's use of language, a visual image or a recording of any kind that you perceive to be identical or substantially similar to one of our Copyrighted Works or use of our Confidential Information or Trade Secrets, or if someone challenges your use of our Copyrighted Works, Confidential Information or Trade Secrets. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyrighted Works, Confidential Information or Trade Secrets, which may include payment of reasonable costs associated with the action. However, the Franchise Agreement does not require us to take affirmative action in response to any apparent infringement of, or challenge to, your use of any Copyrighted Works, Confidential Information or Trade Secrets or claim by any person of any rights in any Copyrighted Works, Confidential Information or Trade Secrets. You must not directly or indirectly contest our rights to our Copyrighted Works, Confidential Information or Trade Secrets. You may not communicate with anyone except us, our counsel or our designees regarding any infringement, challenge or claim. We will take action as we deem appropriate regarding any infringement, challenge or claim, and the sole right to control, exclusively, any litigation or other proceeding arising out of any infringement, challenge or claim under any Copyrighted Works, Confidential Information or Trade Secrets. You must sign any and all instruments and documents, give the assistance and do acts and things that may, in the opinion of our counsel, be necessary to protect and maintain our interests in any litigation or proceeding, or to protect and maintain our interests in the Copyrighted Works, Confidential Information or Trade Secrets. No patents or patents pending are material to us at this time.

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

Under the DCO model, your Responsible Owner, your Franchise Manager, or you must personally participate in and manage your Clinic's day-to-day operations. Under the MSO, your Responsible Owner, your Franchise Manager, or you must personally participate and manage the delivery of the MSO Services day to day. Though you are permitted to operate using a Franchise Manager, we always recommend that you operate your Model directly and on a day-to-day basis.

Under the DCO Model and applicable law, you must have properly licensed and credentialed medically trained staff (including the Medical Professional(s)) required to manage and operate any medical clinic. Under the MSO Model, you must ensure that the Medical Professional that owns the Clinic is similarly licensed and credentialed. Applicable law may also require such person to hold a certain

management or above position, in which case, you will comply with such law. We must approve the Franchise Manager, your Responsible Owner, and Medical Professionals who directly own and operate the Clinic or are part of your professional staff.

Under the MSO Model and applicable law, the Medical Professional may be required to own some or all of the equity interest in the MSO. Unless required by applicable law, a management position Person hired by the Medical Professional need not own an equity interest in the MSO. Under the DCO Model and unless required by applicable law, your Franchise Manager or Medical Professional need not own an equity interest in your franchisee entity. Under both Models, any new Responsible Owner, Franchise Manager, or Medical Professional must be identified to us within five business days of the person's hire date. The new person must also pass our training and Medical Training.

Regardless of the Model, your Franchise Manager, the Medical Professionals, the medical staff that manages the Clinic, your Responsible Owner, and you must abide by all confidentiality requirements of this franchise agreement and may in the future be required to sign a confidentiality and non-competition agreement. If you are an entity, each direct and indirect owner (i.e., each person holding a direct or indirect ownership interest in you) and each person who is or becomes a Responsible Owner must sign our then-current form Franchise Owner Agreement, which is attached to the Franchise Agreement as Attachment D.

If you are an Area Developer, you must own at least a 51% equity interest in any legal entity that signs a Franchise Agreement under your Area Development Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Under the DCO Model, you must offer for sale all of those Healthcare Services and other goods and services approved by us and specified in the Franchise Operations Manual and any periodic updates incorporated into the Franchise Operations Manual. You may not offer any products or services not specifically approved by us in writing, and you may not use your Clinic for any purpose other than your Clinic's operation. Unless we separately approve a co-branded, co-located, adjacent, shared-premises, or otherwise associated arrangement with a Gameday Men's Health business and you sign our Co-Branding Addendum, you may not operate any other business at the Franchised Location. If we approve such an arrangement, you may do so only in the manner we approve and subject to all conditions in the Co-Branding Addendum and applicable law.Under the MSO Model and as a contingency to working with the Medical Professional, your MSA must require the Clinic to offer for sale all of the Healthcare Services and other goods and services approved by us and specified in the Franchise Operations Manual and any periodic updates incorporated into the Franchise Operations Manual. Under the MSA, the Clinic may not offer any products or services not specifically approved by us in writing, and you will not allow the Clinic to be used for any purpose other than the Clinic's operation. Unless we separately approve a co-branded, co-located, adjacent, shared-premises, or otherwise associated arrangement with a Gameday Men's Health business and you sign our Co-Branding Addendum, you may not operate any other business at the Franchised Location. If we approve such an arrangement, you may do so only in the manner we approve and subject to all conditions in the Co-Branding Addendum and applicable law.

You must be open during the days and hours we designate in the Franchise Operations Manual, by a written handout, or by delivery of notice by other electronic means. We do not impose minimum staffing requirements though you must have sufficient staff to serve your customers. We do not now, but may in the future require all franchisees and you to participate or maintain participation in gift card, coupon, or customer incentive programs. If we do this, we will give you no less than 30 days prior written notice. You may not establish an account or participate in any social networking sites, crowdfunding campaigns or blogs or mention or discuss the Franchise, us or any of our affiliates without our prior written consent and as

subject to our online policy. Under the MSO Model, you must provide all MSO Services. We may add to, delete from, or modify the products and services that you can and must offer, and there are no limits on our right to do so. You must abide by any additions, deletions, and modifications to the Franchise Operations Manual.

Neither you, nor any Medical Professional may establish an account or participate in any social networking sites or blogs, crowdfunding campaigns, or mention or discuss the Herway Franchise, us or any of our affiliates without our prior written consent and as subject to our online policy. Our online policy may completely prohibit you and any Medical Professional from any use of the Marks in social networking sites or other online use. Neither you, nor any Medical Professional may sell products through other channels of distribution such as wholesale, internet or mail order sales. Otherwise, we place no restrictions upon your or your Medical Professional's ability to serve customers, provided you do so from your Clinic in accordance with our policies.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 5.1	10 years.
b. Renewal or extension	Section 5.1	If you are in good standing and you meet other requirements, you may add two successor terms of 5 years.

Provision	Section in Franchise Agreement	Summary
c. Requirements for franchisee to renew or extend	Section 5.2	The term "renewal" refers to extending our franchise relationship at the end of your initial term and any other renewal or extension of the initial term. Your successor franchise rights permit you to remain as a Franchise after the initial term of your Franchise Agreement expires if you are in good standing and you meet other requirements. You must notify us in writing of your desire to enter into a successor franchise agreement not less than 60 days nor more than 180 days before the expiration of the term. You must have an approved MSA and lease that will extend through the length of the successor term. You must sign our then-current Franchise Agreement and ancillary documents for the successor term, and this new franchise agreement may have materially different terms and conditions (including, e.g., higher royalty and advertising contributions) from the Franchise Agreement that covered your original term. You must make any updates and renovations as required to meet our then-current System standards. The number and length of renewal terms in your original Franchise Agreement will supersede the number and length of renewal terms in any successor Franchise Agreement.
d. Termination by franchisee	Section 23	You may terminate the Franchise Agreement if you are in compliance with it, and we are in material breach, and we fail to cure that breach within 30 days of receiving written notice. You may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not Applicable	Not applicable.

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with cause	Section 24.2	We can terminate upon certain violations of the Franchise Agreement by you. We can also terminate if you default under another franchise agreement or any other agreement with us or our affiliate (except we may not terminate the Franchise Agreement due to the termination of any Area Development Agreement you have with us due to your failure to meet the Development Schedule). If we approve a co-branded or co-located operation, we may require you to sign a Co-Branding / Co-Location Addendum. Under that addendum, our approval is conditional and may be revoked. If the co-branding approval ends, if required third-party approvals end, or if the related Gameday Men's Health franchise agreement ends or is no longer in good standing, we may require you to discontinue co-branding, stop joint marketing, separate operations, remove or change signage, or otherwise unwind the arrangement.
g. "Cause" defined - curable defaults	Section 24.3	You have 30 days to cure defaults listed in Section 24.3.
h. "Cause" defined - non-curable defaults	Section 24.2	Non-curable defaults: the defaults listed in Section 24.2 of the Franchise Agreement. We can also terminate if you default under another franchise agreement or any other agreement with us or an affiliate (except we may not terminate your Franchise Agreement due to the termination of any Area Development Agreement you have with us due to your failure to meet the Development Schedule).
i. Franchisee's obligations on termination/non-renewal	Sections 5.3, 18.3, 25 and 26	Obligations include complete de-identification, payment of amounts due and return or destruction of confidential Franchise Operations Manual, all Confidential Information, Trade Secrets and records.
j. Assignment of contract by franchisor	Section 15	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Section 16.1	Includes any voluntary, involuntary, direct or indirect assignment, sale, gift, exchange, grant of a security interest or change of ownership in the Franchise Agreement, the Franchise or interest in the Franchise.
l. Franchisor approval of transfer by franchisee	Section 16.1	We have the right to approve all transfers, We will not unreasonably withhold approval of any transfer.
m. Conditions for franchisor approval of transfer	Section 16.3	If you are in good standing and meet other requirements listed in Section 16.3, we may approve your transfer to a new owner.

Provision	Section in Franchise Agreement	Summary
n. Franchisor's right of first refusal to acquire franchisee's business	Section 16.2	We have 30 days to match any offer for your business.
o. Franchisor's option to purchase franchisee's business	Section 27	We may, but are not required to, purchase your Franchise, inventory or equipment at fair market value if your Franchise is terminated.
p. Death or disability of franchisee	Section 16.5	The Franchise Agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Franchise Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.
q. Non-competition covenants during the term of the franchise	Section 18.2	Subject to applicable law, you may not participate in a diverting business, have owning interest of more than 5%, inducing any customer to transfer their business to you or perform services for a competitive business anywhere. You may not interfere with our or our other franchisees' Herway Franchises.
r. Non-competition covenants after the franchise is terminated or expires	Section 18.3	Subject to applicable law, owners may not have an interest in, own, manage, operate, finance, control or participate in any competitive business within (i) a 10-mile radius of the Clinic; and (ii) a 10-mile radius from all other Clinic that are operating or under construction as of the date of the termination, expiration or Transfer of this Franchise Agreement for one year. If you or your Responsible Owner engages in any activities prohibited by the Franchise Agreement during the restricted period, then the restricted period applicable to you or the non-compliant Responsible Owner shall be extended by the period of time during which you or the non-compliant Responsible Owner, as applicable, engaged in the prohibited activities.
s. Modification of agreement	Sections 9.1 and 30.9	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Franchise Operations Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.
t. Integration/merger clause	Section 30.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 28	Except for certain claims, all disputes must be mediated and litigated in the principal city closest to our principal place of business (currently Carlsbad, California), subject to applicable state law.

Provision	Section in Franchise Agreement	Summary
v. Choice of forum	Section 28.4	All disputes must be mediated, litigated, and if applicable, arbitrated in the principal city closest to our principal place of business (currently Carlsbad, California), subject to applicable state law.
w. Choice of law	Section 30.1	The laws of the state where the Franchisee's Clinic is located apply, subject to applicable state law.

THE AREA DEVELOPER RELATIONSHIP

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

Provision	Section in Area Development Agreement	Summary
a. Length of the franchise term	2	Expiration or termination of the Area Development Agreement or completion of the obligations in the Development Schedule, provided however that if you remain in full compliance with the Development Schedule, the Development Territory and associated territorial protections will not expire any earlier than the initial term of the first franchise agreement entered into under the Area Development Agreement.
b. Renewal or extension	Not applicable	Not applicable.
c. Requirements for area developer to renew or extend	Not applicable	Not applicable.
d. Termination by area developer	Not applicable	You may terminate under any grounds permitted by law.
e. Termination by franchisor without cause	Not applicable	We may also terminate if our counsel advises our business model or fee structure is unlawful in your state and either you and we fail to agree on changes to business model or fee structure to make it lawful or the required changes would result in fundamental changes to Franchise Agreement. This would be deemed a "no fault" termination and we would not impose liquidated damages.
f. Termination by franchisor with cause	Sections 5.4, 8.1 and 8.3	We can terminate if you or any of your affiliates materially default under the Area Development Agreement, any individual Franchise Agreement or any other agreement with us, or if you fail to comply with the Development Schedule on two or more occasions.

Provision	Section in Area Development Agreement	Summary
g. "Cause" defined – curable defaults	Not applicable	Not applicable.
h. "Cause" defined – non-curable defaults	Sections 5.4, 8.1 and 8.3	If you default under the Area Development Agreement or any individual Franchise Agreement, or any other agreement with us, or if you fail to comply with the Development Schedule.
i. Area Developer's obligations on termination/non-renewal	Section 8.3	Obligations include the payment of all amounts due. You remain bound by all Franchise Agreements.
j. Assignment of contract by franchisor	Section 9.1	No restrictions on our right to assign the Area Development Agreement.
k. "Transfer" by area developer – definition	Not applicable	Not applicable.
l. Franchisor approval of transfer by area developer	Section 9.2	You may not assign the Area Development Agreement or any rights to the Development Territory.
m. Conditions for franchisor approval of transfer	Not applicable	Not applicable.
n. Franchisor's right of first refusal to acquire area developer's business	Not applicable	Not applicable.
o. Franchisor's option to purchase area developer's business	Not applicable	Not applicable.
p. Death or disability of area developer	Section 8.2	The Area Development Agreement must be transferred or assigned to a qualified party within 180 days of death or disability or the Area Development Agreement may be terminated. Your estate or legal representative must apply to us for the right to transfer to the next of kin within 120 calendar days of your death or disability.
q. Non-competition covenants during the term of the franchise	Not applicable	Not applicable.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable.
s. Modification of agreement	Section 11	No modifications of the Area Development Agreement unless agreed to in writing.
t. Integration/merger clause	Section 11	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and the Area Development Agreement may not be enforceable.

Provision	Section in Area Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17	All disputes will be resolved in accordance with the terms and conditions of the initial franchise agreement. Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently Carlsbad, California), subject to applicable state law.
v. Choice of forum	Section 17	All disputes will be resolved in accordance with the terms and conditions of the initial franchise agreement. All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Carlsbad, California), subject to applicable state law.
w. Choice of law	Section 15	The laws of the state where the Area Development Franchise is located apply, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our Franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 performance at a particular location or under particular circumstances.

As of December 31, 2025, we had two affiliate-owned Herway Clinics ("Affiliate Locations") and no franchised Herway Clinics ("Franchised Locations") in operation. The table below presents historical financial performance information for the one Affiliate Location (the San Diego, CA, location or the "Reporting Location") that was open and operating as our affiliate during the entire period from May 1, 2025 through April 30, 2026 (the "Reporting Period").

The Reporting Location offers the same core products and services as the franchised Clinics will offer under this Franchise Disclosure Document and operates under a substantially similar format.

During the Reporting Period, the Reporting Location operated under a different brand than the brand we currently offer, and operates a men's and women's business out of the same space. However, the Reporting Location uses the same system as is offered under this Franchise Disclosure Document and was owned and operated by our affiliate for the entire 12-month Reporting Period. These results may differ materially from the results of a Franchised Location, as the Reporting Location does not pay Royalties, required advertising fees (including Brand Fund Fees and Digital Marketing Set-Up and Digital Marketing

Fees), or required technology fees (including the Technology Set-Up Fee and ongoing Technology Maintenance Fees), which Franchised Locations will have to pay. The financial information from the below table was prepared from internal accounting records and reports. The numbers have not been audited, but we have no reason to doubt their accuracy.

A second Affiliate Location (the Carlsbad, CA, location) is not included in this Item 19 because, although it currently operates under the "Herway" name and was owned and operated by our affiliate during the Reporting Period, it operates under a different system from the one we are offering under this Franchise Disclosure Document. Specifically, it uses a different format and model, featuring a different product and service mix and SKU set than what is offered to franchisees, requiring substantially different equipment and products that franchisees operating under the System will not use or offer in their Herway franchised businesses. We have used this location as a pilot/research and development location testing unreleased services which are not permitted or provided by Franchised Locations under this Franchise Disclosure Document.

The financial information provided in the table below consists of the historical performance of the Reporting Location during the Reporting Period.

Category	Clinic	MSO	Total	% of Gross Revenue
Gross Revenue	$1,329,090	$502,725	$1,831,815	100.0%
Operating Expenses				
Payroll Expenses				
Bonuses & Commissions	-	-	$0	0.0%
Payroll Taxes & Processing	$32,269	-	$32,269	1.8%
Wages	$360,968	-	$360,968	19.7%
Total Payroll Expenses	$393,237	-	$393,237	21.5%
Other Operating Expenses	-	-		
Accounting & Taxes/Prep		$5,138	$5,138	0.3%
Advertising/ Promotion & Digital Marketing	$50,189		$50,189	2.7%
Bank Service, Interest & Legal	$5,530	$2,370	$7,901	0.4%
Business Licenses and Permits	-	$672	$672	0.0%
Computer and Internet Expenses	$7,506	$3,217	$10,722	0.6%
Continuing Education	$1,850	-	$1,850	0.1%
Dues and Subscriptions	$19,385	-	$19,385	1.1%
HR Expense	$566	-	$566	0.0%
Independent Contractors	$78,748	-	$78,748	4.3%
Insurance (Liability & Workers Comp)	$11,368	-	$11,368	0.6%
Laboratory Fees	$72,078	-	$72,078	3.9%
Meals and Entertainment	$6,650	-	$6,650	0.4%
Medical Supplies	$231,464	-	$231,464	12.6%
Merchant Fees	$36,844	-	$36,844	2.0%
Miscellaneous Expense	-	-	$0	0.0%
Office Supplies	$23,123	-	$23,123	1.3%
Pharmacy & Medication	$214,113	-	$214,113	11.7%

Category	Clinic	MSO	Total	% of Gross Revenue
Postage, Uniforms, Security, Repairs	$827	-	$827	0.0%
Professional Fees	$1,839	-	$1,839	0.1%
Rent Expense	-	$57,932	$57,932	3.2%
Telephone Expense	$4,473	$1,917	$6,391	0.3%
Travel Expense	-	-	-	0.0%
Utilities*	-	-	$0	0.0%
Total Operating Expense	$1,159,790	$71,247	$1,231,037	67.2%
Franchisee-Related Adjustments				
Franchisee Royalty (6%)			$109,909	6.0%
Franchisee Brand Development Account Fee (2%)			$36,636	2.0%
Adjusted Earnings			$454,233	24.8%

Notes:

1. Operating History. The Reporting Location has been in operation in San Diego, California since January 2017 but has only been operated by our affiliate since May 2025.

2. The included Reporting Location during the Reporting Period previously operated under a different brand than the Herway Health brand and System we currently offer under this Franchise Disclosure Document, but, as of July 1, 2026, it operates under the System. The Reporting Location was owned and operated by our affiliate for the entirety of the Reporting Period.

3. "Gross Revenue" means the total of all revenues and income of the Reporting Location (as operated through an MSO Model), including the revenue generated from the sale of all products and services (including branded products and services) offered at or from the Reporting Location and all other income or revenue of every kind and nature related to, derived from, or originating from the Reporting Location, whether at retail or wholesale, including any off-premises services, mobile clinics, and temporary locations (whether these sales are permitted or not), any initial and renewal membership fees, dues and all other charges, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. Gross Revenue does not include (i) sales or similar taxes you collect that are chargeable to Patients by law; (ii) any documented refunds or credits; or (iii) sales discounts granted to a Patient. All barter or exchange transactions in which the Reporting Location furnishes products or services in exchange for products or services provided to the Reporting Location by a vendor, supplier or Patient will, for the purpose of determining Gross Revenue, be valued at the full retail value of the products or services so provided to the Reporting Location.

4. "Adjusted Earnings" means Gross Revenue less Payroll Expenses, and certain other Operating Expenses.

5. "Payroll Expenses" includes Bonuses and Commissions, Payroll Taxes, and Wages.

6. "Bonuses and Commissions" includes variable, performance-based, or incentive compensation earned by employees, management, or independent contractors for services rendered during the Reporting Period.

7. "Payroll Taxes and Processing" includes the Reporting Location's legally required portion of federal, state, and local payroll taxes assessed on employee wages, in addition to any administrative fees incurred from third-party payroll processing providers.

8. "Wages" includes payroll for all Clinic employees, including the manager, paid vacation, but does not include any wages or overhead above the Clinic management level.

9. Franchise Related Adjustments. We have imputed certain fees assessed by us and made adjustments based on the fees paid and expenditures required under our current Franchise Agreement. Franchised Locations are required to pay a Royalty equal to the greater of 6% of the Herway Business's Gross Revenue or the Minimum Royalty, contribute 2% of the Herway Business's Gross Revenue as a Brand Fund Fee, Digital Marketing Fees of $2,500 per Clinic per month, and Technology Maintenance Fees of $1,000 per month in addition to the Digital Marketing Set-Up Fee of $2,500 and Technology Set-Up Fee of $3,000. We have imputed a Royalty of 6% of Gross Revenue and Brand Fund Fees of 2% of Gross Revenue in the Franchise Related Adjustments. During the Reporting Period, the Reporting Location spent amounts in excess of the required Digital Marketing Fees and Technology Maintenance Fees, including the Digital Marketing Set-Up Fee and Technology Set-Up Fee. These Franchised Related Adjustments are applied to the historical results of the Reporting Location for illustrative disclosure purposes only. They are not forecasts or projections of future performance. In making these Franchise Related Adjustments, we did not assume that the imputed fees or required expenditures would have a direct or indirect effect on Gross Revenue, labor, occupancy costs, cost of goods sold, or other expense categories.

10. The financial performance representations in this Item 19 do not reflect certain operating expenses or non-operating expenses, including auto expenses, amortization, bad debt, bank charges, depreciation, donations, subscriptions, insurance, employee benefits, interest, federal taxes, security, repairs and maintenance, telephone, and uniform expenses. These excluded costs may be substantial. To calculate the Operating Expenses presented in Table 2, our Reporting Location allocated its total expenses proportionally based on revenue. First, the location determined what percentage of its total overall revenue came exclusively from the women's health business (the "Women's Health Percentage"). Then, the location multiplied its total Operating Expenses by the Women's Health Percentage. Accordingly, the figures presented in Table 2 should not be viewed as net income, net profit, or overall profitability. The figures shown are limited operating metrics only and are not net income, net profit, EBITDA, cash flow, or overall profitability. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in this Disclosure Document may be one source of this information.

One HerWay Affiliate Location has earned this amount. Your individual results may differ. There is no assurance you'll earn as much. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Franchise Operations, at info@herwayhealth.com or 760-290-3552, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2023 - 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	0	0
	2024	0	1	+1
	2025	1	2	+1
Total Outlets*	2023	0	0	0
	2024	0	1	+1
	2025	1	2	+1

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 - 2025

State	Year	Number of Transfers
Totals	2023	0
	2024	0
	2025	0

Table No. 3

Status of Franchised Outlets
For Years 2023 - 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0

Table No. 4

Status of Company-Owned Outlets
For Years 2023 - 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	1	0	0	0	2
Total Outlets	2023	0	0	0	0	0	0
	2024	0	1	0	0	0	1
	2025	1	1	0	0	0	2

Table No. 5

Projected Openings as of
December 31, 2025

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Arizona	0	9	0
California	0	17	0
Colorado	0	7	0
Florida	0	17	0
Georgia	0	6	0
Illinois	0	5	0
New Jersey	0	4	0
New York	0	5	0
North Carolina	0	7	0
Tennessee	0	5	0
Texas	0	23	0
Virginia	0	5	0
Total	0	110	0

The names, addresses and telephone numbers of our current franchisees are attached to this Franchise Disclosure Document as Exhibit E. The name and last known address and telephone number of every current franchisee and every franchisee who has had a Herway Franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under our franchise agreement during the one-year period December 31, 2025, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document, is listed in Exhibit E. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experiences

with the Herway Franchise System. During the last three years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the Herway Franchise System. You may wish to speak with current and former franchisees but know that not all such franchisees can communicate with you. If you buy a Herway Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

As of the Issuance Date of this Franchise Disclosure Document, there are no franchise organizations sponsored or endorsed by us and no independent franchisee organizations have asked to be included in this Franchise Disclosure Document. We do not have any trademark specific franchisee organizations.

ITEM 21
FINANCIAL STATEMENTS

Exhibit B contains the financial statements required to be included with this Franchise Disclosure Document: unaudited balance sheet as of June 5, 2026 and audited financial statements as of June 5, 2026. The franchisor has not been in business for three years or more, and therefore cannot include the same financial statements as a franchisor that has been in business for three or more years. Our fiscal year end is December 31.

ITEM 22
CONTRACTS

Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Herway Franchise
Exhibit I	Franchise Disclosure Questionnaire

ITEM 23
RECEIPTS

The last pages of this Franchise Disclosure Document, Exhibit K are a detachable document, in duplicate. Please detach, sign, date and return one copy of the Receipt to us, acknowledging you received this Franchise Disclosure Document. Please keep the second copy for your records.

EXHIBIT A

STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

State Administrator and Agent for Service of Process:
Commissioner
Department of Financial Protection and Innovation
320 W. 4th Street, #750
Los Angeles, CA 90013
(213) 576-7500
(866) 275-2677

CONNECTICUT

Agent for Service of Process and State Administrator
The Banking Commissioner
The Department of Banking
Securities and Business Investment Divisions
260 Constitution Plaza
Hartford, CT 06103-1800
860-240-8299

HAWAII

Commissioner of Securities of the State of Hawaii
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Agent for Service of Process:
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

ILLINOIS

Illinois Attorney General
Chief, Franchise Division
500 S. Second Street
Springfield, IL 62706
(217) 782-4465

INDIANA

Secretary of State
Securities Division
Room E-018
302 W. Washington Street
Indianapolis, IN 46204
(317) 232-6681

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202
(410) 576-6360

Agent for Service of Process:
Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Michigan Department of Attorney General
Consumer Protection Division
525 W. Ottawa Street
Lansing, MI 48913
(517) 373-7117

MINNESOTA

Department of Commerce
Commissioner of Commerce
85 Seventh Place East, Suite 280
St. Paul, MN 55101-3165
(651) 539-1600

NEW YORK

Administrator:
NYS Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

Agent for Service of Process:
Secretary of State
99 Washington Avenue
Albany, NY 12231

NORTH DAKOTA

Administrator:
North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2910

Agent for Service of Process:
Insurance Commissioner
600 East Boulevard Avenue, Dept. 401
Bismarck, ND 58505
(701) 328-2910

RHODE ISLAND

Department of Business Regulation
1511 Pontiac Avenue, Bldg. 68-2
Cranston, RI 02920
(401) 462-9527

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

VIRGINIA

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219

Agent for Service of Process:
Clerk of the State Corporation Commission
1300 E. Main Street, 1st Floor
Richmond, VA 23219

WASHINGTON

State Administrator:
Washington Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200
(360) 902-8760

Agent for Service for Process:

Director of Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, WA 98501

WISCONSIN

Department of Financial Institutions
Division of Securities
201 W. Washington Avenue
Madison, WI 53703
(608) 266-3364

Rev. 011526

EXHIBIT B

FINANCIAL STATEMENTS

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

HERWAY HEALTH FRANCHISE, LLC

Balance Sheet

As of Jun 5, 2026

	TOTAL
Assets	
Current Assets	
Bank Accounts	
HerWay Health Fran (5387)	42,346.94
Total for Bank Accounts	**$42,346.94**
Total for Current Assets	**$42,346.94**
Total for Assets	**$42,346.94**
Liabilities and Equity	
Liabilities	
Total for Liabilities	
Equity	
Partner investments	42,346.94
Retained Earnings	
Net Income	
Total for Equity	**$42,346.94**
Total for Liabilities and Equity	**$42,346.94**

HerWay Health Franchise, LLC

Financial Statement
As of June 5, 2026

HerWay Health Franchise, LLC

Financial Statement

As of June 5, 2026

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A&G LLP
CERTIFIED PUBLIC ACCOUNTANTS

Dallas Office
2425 N Central Expy.
Suite 200
Richardson, TX 75080
Phone 972 238 5900
Fax 972 692 5357

www.aglp-cpa.com

Independent Auditor's Report

To the Members
HerWay Health Franchise, LLC
Carlsbad, California

Report on the Financial Statement

Opinion
We have audited the financial statement of HerWay Health Franchise, LLC (the "Company"), which comprises the balance sheet as of June 5, 2026 and related notes to the financial statement.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the financial position of the Company as of June 5, 2026, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Statement
Management is responsible for the preparation and fair presentation of the financial statement 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 statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year from the date the financial statement is issued.

Auditor's Responsibilities for the Audit of the Financial Statement
Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of this financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used, and the reasonableness of, significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

A+G LLP

Dallas, Texas
July 27, 2026

Balance Sheet

As of June 5,		2026
Assets		
Current assets:		
Cash and cash equivalents	$	42,347
Total current assets		42,347
Total assets	$	42,347
Liabilities and Members' Equity		
Current liabilities:		
Accrued expenses	$	17,000
Total current liabilities		17,000
Members' equity		25,347
Total liabilities and members' equity	$	42,347

See accompanying notes and independent auditor's report.

1. Organization and Operations

Description of Business
HerWay Health Franchise, LLC, a Delaware limited liability company, was formed on December 31, 2025 and begin operations in June 2026. References in these financial statement footnotes to "Company", "we", and "us" and "our" refer to the business of HerWay Health Franchise, LLC.

The Company grants franchises for the establishment and operation of clinics under the "Her Way Women's Health" brand ("Clinic") that offer in-person healthcare services to patients, and including sexual wellness, hormone optimization, aesthetics, regenerative medicine, peptide therapy and IVs and similar non-critical healthcare services, goods, and medications. Women's Health Works LLC, an affiliate of the company, licensed the trademarks relating to the franchise system to the Company under a license agreement (the "License"), which initial term expires in December 2045 and may be automatically renewed for additional twenty year terms. The License grants the Company the right to use these trademarks for licensing them to franchisees of the Company in the United States.

As of June 5, 2026, the Company had 10,000,000 membership units authorized and 9,900,000 membership units issued and outstanding. Of the issued and outstanding units, 9,800,000 units were vested and 100,000 units were unvested.

The Company is a limited liability company, and therefore, the members are not liable for the debts, obligations or other liabilities of the Company, whether arising in contract, tort or otherwise, unless the member has signed a specific guarantee.

As of June 5, 2026, there were 0 franchised outlets, and 2 affiliate-owned outlets in operation.

Going Concern
Management has evaluated our ability to continue as a going concern as of June 5, 2026. Due to the liquidity position of the Company as of June 5, 2026, we have concluded that there is not significant doubt about our ability to continue as a going concern.

2. Significant Accounting Policies

Basis of Accounting
The Company uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States ("U.S. GAAP"). Under this method, revenue is recognized when earned and expenses are recognized as incurred.

Use of Estimates
The preparation of the financial statement and accompanying notes in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenue and expenses during the reported period. Estimates are used for the following, among others, accrued expenses. Actual results could differ from those estimates.

2. Significant Accounting Policies (continued)

Fair Value Measurements
Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Company's financial instruments consist of cash and cash equivalents and accrued expenses. The carrying value of cash and cash equivalents and accrued expenses are considered to be representative of their respective fair value due to the short-term nature of these instruments.

Assets and liabilities that are carried at fair value are classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets and liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Cash and Cash Equivalents
For purposes of reporting cash flows, all highly liquid investments with a maturity of three months or less are considered cash equivalents.

Share-Based Compensation
The Company accounts for share-based payment awards in accordance with ASC 718, Compensation—Stock Compensation. Compensation cost for equity-classified awards is measured based on the grant-date fair value of the award and recognized over the requisite service period, as applicable.

The Company is a nonpublic entity and has elected the practical expedient under ASC 718-10-30-20C to determine the current price of the underlying share for equity-classified share-based payment awards using a reasonable application of a reasonable valuation method at the grant date or modification date. The valuation method considers relevant facts and circumstances as of the measurement date, which may include the Company's financial condition, operating results, projected cash flows, market data for comparable companies, recent arm's-length transactions involving the Company's equity securities, control premiums or discounts for lack of marketability, and other relevant factors.

The Company applies the current-price-input practical expedient on a measurement-date-by-measurement-date basis to all eligible equity-classified awards with the same underlying share and same measurement date. The practical expedient is not applied to liability-classified awards.

For employee share-based payment awards, the Company has elected to recognize forfeitures when they occur. Accordingly, compensation cost is not reduced for estimated forfeitures at the grant date. If an award is forfeited because the employee does not satisfy the requisite service condition, the Company recognizes the effect of the forfeiture in the period in which the forfeiture occurs.

Income Taxes
The Company is taxed as a Partnership for federal income tax purposes. Consequently, federal income taxes are not provided for or payable by the Company. The Company's net income or loss is allocated to the members who are taxed individually on their share of the Company's earnings. The Company recognizes income tax related interest and penalties in interest expense and other general and administrative expenses, respectively.

2. Significant Accounting Policies (continued)

Income Taxes (continued)

The Company files income tax returns in the U.S. federal jurisdiction and the states in which it operates. The Company is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Company is subject to examination since Inception.

In accordance with Financial Accounting Standards Board ("FASB") ASC 740-10, Income Taxes, the Company is required to disclose uncertain tax positions. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. The Company has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Company believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Company's financial condition, results of operations or cash flows. Accordingly, the Company has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at June 5, 2026.

Recent Accounting Pronouncements
In May 2025, the FASB issued ASU No. 2025-04, Compensation - Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer ("ASU 2025-04"). ASU 2025-04 clarifies the measurement and classification of share-based consideration payable to customers and is intended to improve the consistency and relevance of the related guidance. ASU 2025-04 will be effective for all entities for annual reporting periods beginning after December 15, 2026. The Company is currently evaluating the impact of adopting ASU 2025-04 on its financial statement.

We reviewed other significant newly-issued accounting pronouncements and concluded that they either are not applicable to our operations or that no material effect is expected on our financial statement as a result of future adoption.

Subsequent Events
In accordance with FASB ASC 855, Subsequent Events, the Company has evaluated subsequent events through July 27, 2026, the date on which this financial statement was available to be issued. There were no material subsequent events that required recognition or additional disclosure in this financial statement.

3. Certain Significant Risks and Uncertainties

The Company maintains its cash in a bank deposit account that 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 risk on cash or cash equivalents. The Company maintains its deposits in one financial institution.

4. Share-Based Compensation

The Company maintains an equity incentive plan that permits the grant of restricted units, representing common units of the Company, to employees, managers, and consultants. The purpose of the plan is to attract, retain, and incentivize service providers through equity ownership in the Company. Awards granted under the plan are subject to the terms of the applicable award agreement and the Company's operating agreement.

The Company accounts for share-based payment awards in accordance with ASC 718, Compensation—Stock Compensation. Compensation cost for equity-classified awards is measured based on the grant-date fair value of the award and recognized over the requisite service period, as applicable. For employee share-based payment awards, the Company recognizes forfeitures when they occur. Accordingly, compensation cost is not reduced for estimated forfeitures at the grant date. If an award is forfeited because the employee does not satisfy the requisite service condition, the Company recognizes the effect of the forfeiture in the period in which the forfeiture occurs.

4. Share-Based Compensation (continued)

The Company is a nonpublic entity and has elected the practical expedient under ASC 718-10-30-20C to determine the current price of the underlying share for equity-classified share-based payment awards using a reasonable application of a reasonable valuation method at the grant date or modification date. The valuation method considers relevant facts and circumstances as of the measurement date, which may include the Company's financial condition, operating results, projected cash flows, market data for comparable companies, recent arm's-length transactions involving the Company's equity securities, control premiums or discounts for lack of marketability, and other relevant factors. The Company applies the current-price-input practical expedient on a measurement-date-by-measurement-date basis to all eligible equity-classified awards with the same underlying share and same measurement date. The practical expedient is not applied to liability-classified awards.

On June 1, 2026, the Company granted restricted units representing 100,000 common units of the Company. The units were issued as of the grant date, subject to execution of the award agreement and a joinder to the Company's operating agreement. The Company measured the restricted units at grant-date fair value. The grant-date fair value of the award was $5,000, based on recent issuances of the Company's common units in exchange for cash.

The restricted units vest based on continued service. The award has a vesting start date of January 7, 2026 and vests 25% on the first anniversary of the grant date, with the remaining 75% vesting in equal monthly installments over the following 36 months. Upon termination of service for any reason, all unvested restricted units are automatically forfeited without consideration. Unvested restricted units vest upon a change of control event, as defined in the award agreement.

The restricted units are subject to transfer restrictions under the plan and the Company's operating agreement, including restrictions on transfers without board consent, a right of first refusal, tag-along rights, drag-along obligations, and lock-up restrictions. Vested restricted units also may be subject to repurchase and clawback provisions, including provisions applicable to Good Leaver and Bad Leaver events and misconduct or covenant breaches. The Company has the right, but not the obligation, to repurchase vested restricted units upon termination of service. The award agreement does not contain an express settlement provision other than issuance of the units as of the grant date. Under the plan, if the Company repurchases units, the repurchase price may be paid in cash, by promissory note, by offset, or by any combination thereof.

As of June 5, 2026, the Company had $5,000 of total unrecognized compensation cost related to unvested restricted units. The Company expects to recognize compensation costs of $1,250 in January 2027 and approximately $104 each month thereafter for 36 months.

5. Commitments and Contingencies

Litigation

The Company may be party to various claims, legal actions and complaints arising in the ordinary course of business. In the opinion of the management, all matters are of such nature, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

EXHIBIT C

FRANCHISE AGREEMENT

HERWAY

HERWAY

FRANCHISE AGREEMENT

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FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Franchise Agreement") is made, entered into and effective as of the "Effective Date" set forth in Attachment A to this Franchise Agreement, by and between HerWay Health Franchise, LLC, a California limited liability company ("we," "us," or "our"), and the franchisee set forth in Attachment A to this Franchise Agreement ("you" or "your"). If more than one person or entity is listed as the franchisee, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Franchise Agreement.

1. INTRODUCTION

This Franchise Agreement includes several attachments, each of which are legally binding and are a part of the complete Franchise Agreement. It is your responsibility to read through the entire Franchise Agreement. This Franchise Agreement creates legal obligations you must follow. We recommend that you consult with a legal professional to ensure that you understand these obligations. If you have questions, or if you do not understand a certain provision or section, please review it with your legal and financial advisors before you sign this Franchise Agreement.

This Franchise Agreement has defined terms. A defined term is a shorthand reference within a document that refers to another name or idea in the document. Defined terms are underlined and surrounded by double quotes, typically with capitalized first letters, and may be contained in parentheses throughout the Franchise Agreement.

2. GRANT OF FRANCHISE

2.1 Franchise Description

As a Herway franchisee, you will operate a Herway clinic (a "Herway Clinic" or "Clinic") which offers healthcare services to women ("Franchised Business"). Some of the healthcare services may be provided under membership plans and will include hormone, wellness and beauty therapies, including hormone replacement, sexual wellness and vitamin wellness therapies, weight management, physicals, injectables, facials, regenerative medicine therapies, and similar non-critical healthcare services, goods, and medications (collectively, the "Healthcare Services").

The Franchised Business will operate under our service marks, trademarks, trade names, trade dress, logos, slogans and commercial symbols as we may from time to time authorize or direct you to use with the operation of the Franchised Business (the "Marks").

We grant you a non-exclusive license to own and operate the Franchised Business using the business formats, methods, procedures, signs, designs, standards, specifications, distinguishing elements, and intellectual property (the "System") that we authorize from a single Clinic location we approve strictly in compliance with the terms and conditions set forth in this Franchise Agreement, within the Territory (as described in Section 4 below) or other areas we may specify in Attachment A-1 to this Franchise Agreement. You recognize and acknowledge the distinctive significance to the public of the System and Marks and acknowledge and understand our high and uniform standards of quality, appearance and service to the value of the System. You acknowledge that we may change, improve or otherwise modify the System as we deem appropriate in our discretion and you agree to promptly accept and comply with any such changes, improvements or modifications. You further acknowledge that our grant to operate a Franchised Business is based on the representations made in your application.

We will grant you the right to open and operate a Clinic under either the DCO Model or the MSO Model, as described below, and as selected in Attachment A to this Franchise Agreement. Unless otherwise specified, information in this Franchise Agreement is applicable to both Models.

You acknowledge and agree that, except for the right to grant limited sublicenses to your Medical Professionals (defined below), this Franchise Agreement does not grant you the right or option to open any additional Franchised Businesses or any right to sublicense or subfranchise any of the rights we grant you in this Franchise Agreement. You may only open an additional Franchised Business under a separate franchise agreement with us, which we may grant in our sole discretion.

As part of accepting our grant for you to own and operate a Franchised Business, you hereby represent that: (i) you have received a copy of our current franchise disclosure document; (ii) you are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances; and (iii) you are aware of the fact that we may have negotiated terms or offered concessions to other franchisees and we have no obligation to offer you the same or similar negotiated terms or concessions.

2.2 DCO Model and MSO Model

If you are a medical professional or if you will open your Clinic in a state that allows a non-medical professional to own a Clinic, you will operate through "Direct Clinic Ownership" or the "DCO Model." Otherwise, if your state allows, you may open a non-medical business management firm ("Management Services Organization" or "MSO") that delivers management services to Clinics (the "MSO Model"). As used in this Franchise Agreement, the term "Franchised Business" includes both the DCO Model and the MSO Model and the Clinic.

Clinics may sell memberships to patients of the Clinic ("Patients") for the use of certain Healthcare Services for designated time periods based on an entry fee and monthly dues, which will be described under member agreements you will enter into with the Clinics. The membership programs do not allow for reciprocity and transfers among the membership programs of different Clinics. Our "System" includes, without limitation, our right to sublicense your use of the Marks; our proprietary methodologies for the delivery of Healthcare Services to the Patients under the DCO Model and the management services under the MSO Model; our "Proprietary Information", including the information necessary to deliver the MSO Services, the Patient lists, and all medical records however stored and subject to all data privacy and security laws; the list of Healthcare Services offered; our distinctive exterior and interior design, and trade dress; uniform guidelines and quality control requirements; access to proprietary back-office software solutions; and advertising and promotional programs. Your Model, the Healthcare Services offered, and your day-to-day operations will adhere to the System.

A "Medical Professional" is a person who has the education, licenses, certifications, fellowships, and other credentials required by your state to deliver Healthcare Services directly to Patients, which may include medical doctors, doctors of osteopathy, registered nurses, nurse practitioners, and similar professionals. Medical Professionals must have an active DEA registration, maintain all licenses in good standing, and pass a background check. Although no particular specialty is required by us, healthcare professionals trained only in naturopathic medicine are not permitted to be the Medical Professional that owns the Clinic or acts as a medical director for the Clinic. We must approve the Medical Professionals who directly own and operate the Clinic under the MSO Model.

If we grant you the right to operate a Herway Business, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification. You must not engage in the practice of medicine, nursing or any other profession that requires specialized training or certification, with the exception of those franchisees who sign a Waiver of Management Agreement.

2.3 Professional Judgment

We developed the System and the standards and specifications associated with the System, to create a framework that enables Clinics to operate in compliance with our brand standards and maintain a uniform experience for patients. However, we understand that the practice of medicine is a licensed profession requiring independent judgment, skill and training. Our franchise training and support programs do not include any training or support regarding the method or manner by which medical services are provided to patients. We do not (a) control or influence, (b) reserve the right to control or influence, or (c) intend to control or influence the Professional Judgment (as described below) exercised by the Medical Professionals or any medical staff. So we acknowledge and agree that if any terms of the Franchise Agreement (or any related agreement) and/or the Franchise Operations Manual conflict with your Professional Judgment or of the Medical Professionals and any medical staff, then: (i) the Professional Judgment of the Medical Professional and any medical staff, will control; and (ii) the Medical Professional and any medical staff will be authorized to act in a manner consistent with their Professional Judgment without being deemed in breach of the Franchise Agreement.

The term "Professional Judgment" means the independent medical judgment exercised by a Medical Professional regarding the methods and manner by which medical services are provided to patients, including: (a) determining what diagnostic tests are appropriate; (b) determining the need for referrals to or consultation with another medical professional or specialist; (c) responsibility for the ultimate overall care of the patient, including treatment options available to the patient; (d) determining how many patients to see in a given period of time or how many hours licensed medical professionals must work; (e) determining the medical equipment and supplies used in rendering healthcare services; (f) managing, and determining the contents of, patient medical records; (g) selecting, hiring and firing any licensed medical professional staff; and (h) establishing coding and billing procedures for patient care services.

2.4 Additional Obligations Related to the Models

If you operate an MSO Model, you will be required to enter into a Management Services Agreement ("MSA") with a Medical Professional which must be approved by us. Under the MSA, you will provide the Medical Professional with non-clinical management services. We must approve the Medical Professional, and the Medical Professional will be identified in Attachment A to this Franchise Agreement.

Whether your Franchised Business is operated as a DCO Model or as an MSO Model, under no circumstance shall a lay person (including you as an owner, if unlicensed) administer, control, influence, or direct the supervision, administration, delivery or performance of medical or other services requiring a Medical Professional. The non-medical business management services include private-Patient billing and collections, human resource management, accounting, physical-plant maintenance, the delivery of non-medical supplies, lease management, and similar services ("MSO Services").

We have provided you with a standard form of MSA in the franchise disclosure document; however, you understand and agree that it is your sole responsibility that the MSA between you and the Medical Professional is consistent and in compliance with applicable federal and state laws, regulations, rules and ordinances. You acknowledge and agree that you must retain a lawyer, licensed in the state where the Clinic will be located, and familiar with applicable healthcare laws, to advise you on the MSA and its

compliance with applicable federal and state health laws and regulations. You must obtain our written approval prior to negotiating different fee provisions than those provided in the sample MSA. You must obtain our written approval of the final MSA prior to its execution. However, you agree that our written approval of your MSA is not a representation or warranty respecting its compliance with any laws or regulations but is merely to ensure it comports with our System standards.

You agree to ensure that the types of services offered by the Medical Professional are limited to those in accordance with and pursuant to this Franchise Agreement, and that the Clinic is operated in accordance with the MSA. You agree to have an MSA in effect with a Medical Professional at all times during the operation of the Franchised Business. You may not change the Medical Professional operating the Clinic without our prior written consent, which we may withhold in our reasonable discretion. In the event the MSA with the Medical Professional is terminated during the Term, you must enter into a new MSA with a replacement Medical Professional as soon as practicable, but in no event later than sixty (60) days after you provide or receive notice that the MSA with the original Medical Professional is being terminated or you will be in material breach of this Franchise Agreement. We must approve any new Medical Professional or MSA in writing.

In the event you and we agree that your Franchised Business will operate as a DCO Model, you and we will enter into that "Waiver of Management Agreement" that is provided in our franchise disclosure document, at the same time as this Franchise Agreement.

If for any reason, not limited to but including, changes in applicable law and loss of applicable licenses, you lose the ability to legally perform the obligations of a Franchised Business, you must immediately cease operations, and convert your Franchised Business to a model that brings you in compliance with applicable law, and is approved by us. You may only restart operations after successfully completing such obligations.

3. FRANCHISEE AS ENTITY

3.1 Entity Representations

For purpose of this Franchise Agreement, "Owner(s)" means any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you, this Franchise Agreement, or the Franchised Business. If you are a corporation, partnership, limited liability company or other form of business entity ("Entity"), you agree and represent that:

3.1.1 Authority. You have the authority to execute, deliver, and perform your obligations under this Franchise Agreement and all related agreements and are duly organized or formed, validly existing, and in good standing under the laws of the state of your incorporation or formation.

3.1.2 Company Documents. At our request, you will furnish copies of all documents and contracts governing the rights and obligations of your Owners (such as, Articles of Incorporation or Organization and partnership, operating or shareholder agreements or similar documents ("Company Documents"). You will not alter, change, or amend your Company Documents, without obtaining our prior written approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Franchise Agreement.

3.1.3 Transfer Restrictions. Your Company Documents will recite that this Franchise Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Franchise Agreement's restrictions.

3.1.4 Naming. You agree not to use the name "Herway" or any similar wording in the name of your Entity.

3.1.5 Owner Identification. You certify that Attachment B to this Franchise Agreement completely and accurately describes all of your Owners and their interests in you as of the Effective Date. You agree to sign and deliver to us a revised Attachment B to reflect any permitted changes in the information that Attachment B now contains.

3.1.6 Single Purpose Entity. The Franchised Business will be the only business that the Entity may operate, and your organizational documents must reflect this (although the Owners in the Entity may have other business interests subject to any restrictions on competitive businesses contained in this Franchise Agreement).

3.1.7 Franchise Owner Agreement. All Owners and their spouses must sign the Franchise Owner Agreement, attached as Attachment C to this Franchise Agreement. You agree that, if any person or Entity ceases to be one of your Owners, or if any individual or Entity becomes an Owner of you (such ownership change must comply with the "Transfer Conditions" discussed later in this Franchise Agreement), you will require the new Owner (and the new Owner's spouse) to execute all documents required by us, including the Franchise Owner Agreement.

3.1.8 No Offerings. You agree that you will not offer any securities (in a public or private offering or otherwise) or engage in any type of fundraising (like crowdfunding) without our prior written consent, which may be withheld in our sole discretion.

4. TERRITORIAL RIGHTS AND LIMITATIONS

We will assign you a designated territory ("Territory") consisting of a geographic area where we will not operate, or grant a franchise or license to a third party to operate, a Franchised Business that is physically located in your Territory, except as otherwise provided in this Section. The Territory will consist of the geographic area identified in Attachment A-1.

Except as otherwise provided herein or as we may provide from time to time in the Franchise Operations Manual, you are prohibited from directly marketing to or soliciting customers whose principal residence is outside your Territory. Notwithstanding the foregoing, however, you may accept and serve any customer who walks into your Franchised Business seeking services, regardless of where they live, so long as you did not actively solicit them outside your Territory. By executing this Franchise Agreement, you are not granted any rights to use alternative channels of distribution, such as wholesale, telehealth, internet, or mail order sales and may not independently market on the internet or conduct e-commerce unless we have expressly allowed you to do so under our online policy in the Franchise Operations Manual or otherwise provided herein. In our sole discretion, we may permit you to take part in sales conducted through online platforms we may establish from time to time and in our sole discretion.

We retain all territorial rights (for ourselves and our affiliates) not expressly granted to you. We may use the Marks and the System to sell any products or services similar to those which you will sell through any alternate channels of distribution within or outside of the Territory. We and our affiliates reserve the right to operate, and to license others to operate, Herway franchises at any location outside the Territory, even if doing so will or might affect your operation of the Franchised Business.

We may use trademarks other than the Marks to sell any products or services similar to those which you will sell or provide at your Franchised Business both within and outside the Territory. We may purchase, be purchased by, merge, or otherwise acquire competitive businesses within and outside the Territory. If such a situation occurs, the newly acquired businesses may not operate under the Marks in the

Territory but may operate under the System. We may implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere, including inside the Territory, and we have the right to issue mandatory policies to coordinate such multi-area marketing programs.

Although we reserve all such rights described in this Section, neither we nor any affiliate operates or franchises, or has plans to operate or franchise, a business under a different trademark that sells or will sell goods or services similar to those offered by you or our other franchises.

We are not required to pay you if we exercise any of our rights, including within your Territory. We are not required to pay you compensation for soliciting or accepting orders inside your Territory, or for exercising any of our rights within or outside of your Territory.

5. TERM AND RENEWAL

5.1 Generally

The term of this Franchise Agreement will begin on the Effective Date and continue for ten (10) years ("Term"). If this Franchise Agreement is the initial franchise agreement for your Franchised Business, you may enter into a maximum of two successor franchise agreements (a "Successor Franchise Agreement"), as long as you meet the conditions for renewal specified below. The Successor Franchise Agreement shall be the current form of franchise agreement we use in granting Herway franchises as of the expiration of the Term. The terms and conditions of the Successor Franchise Agreement may vary materially and substantially from the terms and conditions of this Franchise Agreement. Each successor term will be five years. If you are signing this Franchise Agreement as a Successor Franchise Agreement, the references to "Term" shall mean the applicable renewal term of the Successor Franchise Agreement. Except as otherwise provided in this Section, you will have no further right to operate your Franchised Business following the expiration of the successor term unless we grant you the rights to enter into another franchise agreement, in our sole discretion. If you are entering into a Successor Franchise Agreement, the renewal provisions in your initial franchise agreement will dictate the length of the Term of this Franchise Agreement, and your remaining renewal rights to enter into Successor Franchise Agreements, if any.

5.2 Renewal Requirements

To enter into a Successor Franchise Agreement, you must:

5.2.1 Notice. Notify us in writing of your desire to enter into a Successor Franchise Agreement not less than 60 days nor more than 180 days before the expiration of the Term;

5.2.2 No Defaults. Not be in default under this Franchise Agreement or any other agreement with us or any affiliate of ours at the time you send the renewal notice or the time you sign the Successor Franchise Agreement and you must not have received more than two separate written notices of default from us in the 12 months before your renewal notice or at the time you sign the Successor Franchise Agreement;

5.2.3 Successor Franchise Agreement. Sign the Successor Franchise Agreement and all ancillary documents we require franchisees to sign and maintain the MSA with the Medical Professional, or enter into a new MSA with a replacement Medical Professional which we approve (if applicable), or otherwise enter into our then-current Management Agreement Waiver Amendment. Your Successor Franchise Agreement may have materially different terms and conditions (including, higher royalty and advertising contributions) from the Franchise Agreement that covered your original term;

5.2.4 General Release. Sign and have each of your Owners sign current form of general release which contains a release of all known and unknown claims against us and our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, in both their corporate and individual capacities;

5.2.5 Renewal Fee. Pay us a non-refundable renewal fee of $10,000 ("Renewal Fee").

5.2.6 Modifications. At least 60 days but not more than 180 days before the expiration of the Term, you must renovate, upgrade any equipment, tools, technology and other operations to comply with our then-current standards and specifications;

5.2.7 Clinic. Have the right under your lease to maintain possession of the Clinic for the duration of the successor term; and

5.2.8 Renovations. You must also make any renovations, refurbishments and modernizations to the Clinic and the Franchised Business as necessary at your own expense to meet our then-current System standards for a newly opened Franchised Business. We will provide you with the required timeframe for doing so. Such requirements could include changes to the design, equipment, signs, décor, inventory, fixtures, furnishings, trade dress, presentation of Marks, supplies and other products and materials used in the Franchised Business; and

5.2.9 Additional Actions. Take any additional actions we reasonably require.

5.3 Interim Term

If you do not sign a Successor Franchise Agreement after the expiration of the Term and you continue to accept the benefits of this Franchise Agreement, then, at our option, this Franchise Agreement may be treated either as: (i) expired as of the date of the expiration meaning you are operating the Franchised Business without a valid franchise agreement in violation of our rights; or (ii) continued on a month-to-month basis ("Interim Term") until either party provides the other party with 30 days' prior written notice of their intention to terminate the Interim Term. In the latter case, all of your rights and obligations will remain in full force and effect during the Interim Term as if this Franchise Agreement had not expired (except your right to enter into any Successor Franchise Agreement(s), which will be null and void). All obligations, restrictions and covenants imposed on you upon the expiration or termination of this Franchise Agreement will be deemed to take effect upon the termination of the Interim Term. Except as permitted by this Section, you have no right to continue to operate your Franchised Business following the expiration of the Term.

6. FEES

6.1 Payment Obligations

Your requirement to pay us and/or our affiliates the fees under this Franchise Agreement is absolute and unconditional. This obligation will remain effective throughout the entire duration of the Franchise Agreement and will continue until all fees are paid. You have no right to offset any fees paid to us and must pay us all fees regardless of any claims you may have against us. We will have the right, at any time before or after termination of this Franchise Agreement, without notice to you, to offset any amounts or liabilities you may owe to us against any amounts or liabilities we may owe you under this Franchise Agreement or any other agreement, loan, transaction or relationship between the parties. Without limiting the generality of the foregoing, you agree that you will not, on grounds of the alleged nonperformance by us of any of our obligations, withhold any fees due to us or our affiliates or amounts due to us for purchases by you or any other amounts due to us.

6.2 Gross Revenue

For purposes of this Franchise Agreement, "Gross Revenue" means the total of all revenues and income of the Clinic (whether operated through a DCO Model or an MSO Model), including the revenue generated from the sale of all products and services (including branded products and services) offered at or from the Clinic and all other income or revenue of every kind and nature related to, derived from, or originating from the Clinic, whether at retail or wholesale, including any off-premises services, mobile clinics, and temporary locations (whether these sales are permitted or not), any initial and renewal membership fees, dues and all other charges, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. Gross Revenue does not include (i) sales or similar taxes you collect that are chargeable to Patients by law; (ii) any documented refunds or credits; or (iii) sales discounts granted to a Patient. All barter or exchange transactions in which the Clinic furnishes products or services in exchange for products or services provided to Clinic by a vendor, supplier or Patient will, for the purpose of determining Gross Revenue, be valued at the full retail value of the products or services so provided to Clinic. Gross Revenue will also include any insurance proceeds due to business interruption as a result of your Clinic being closed as a result of a casualty event or any other reason. We reserve the right to institute policies in the Franchise Operations Manual or otherwise in writing and from time to time, regarding the inclusion in Gross Revenue of any pre-paid goods or services (including, without limitation, gift cards and gift certificates) and their delivery and redemption.

Under the DCO Model, you will collect all Gross Revenue. Under the MSO Model, the Medical Professional will collect all Gross Revenue.

6.3 Initial Franchise Fee

You will pay us the "Initial Franchise Fee" listed in Attachment A in one lump sum when you sign this Franchise Agreement, unless this Franchise Agreement is made pursuant to an Area Development Agreement, in which case the terms of your Area Development Agreement will dictate the amount and timing of any Initial Franchise Fee paid to us. The Initial Franchise Fee is fully earned by us and is non-refundable once this Franchise Agreement has been signed. If this Franchise Agreement is the renewal of a prior franchise agreement with us for an existing Franchised Business or the transfer of the Franchised Business from another franchisee, then no Initial Franchise Fee is due.

6.4 Royalty

Beginning the first month of operation and continuing during the remaining years of the initial term, you agree to pay us a royalty fee ("Royalty") of: the greater of 6% of Gross Revenue or the "Minimum Royalty." The Royalty is due on the 5th day of each month (or such other date as we designate in the Franchise Operations Manual or otherwise in writing). Any Gross Revenue attributable to pre-opening sales or other activities occurring prior to the opening of your Franchised Business shall, for the purposes of the calculation of the first payment of the Royalty or Minimum Royalty, be deemed to have occurred on the date your Franchised Business opens.

If you operate the MSO Model, your Royalty is not based on the revenue you derive from the delivery of MSO Services to the Clinic.

All Royalties and fees collected must comply with federal, state, and/or local government laws, rules or regulations. If we determine that this calculation and collection of Royalties or any other fee or required contribution is invalid or unenforceable, we will give you 60 days' written notice, and will replace any invalid or unenforceable calculation or collection method with a method that is valid and enforceable

and that comes closest to expressing the intention of the invalid or unenforceable method, and this calculation of Royalty or other fee will be enforceable as so modified.

The Minimum Royalty is described in the chart below.

"Minimum Royalty"						
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Years 7 to 10
$541.67	$812.50	$1,083.33	$1,354.17	$1,625.00	$1,895.83	$2,166.67

Monthly Requirement – The dollar amounts described in the chart above are monthly Minimum Royalties due for each year.

These amounts are per Clinic. If you manage or operate multiple Clinics, you will pay the applicable Minimum Royalty for each Clinic, which will be based on the year of operation for the respective Clinic.

Year – You will pay the "Year 1" Minimum Royalty in the calendar year the Clinic opens and in the calendar year following the year the Clinic opens. Each additional year starts on January 1 of the subsequent year. In the event of a transfer, the year shall be calculated from the original opening date of the Clinic.

6.5 Brand Fund Contribution

You must pay a "Brand Fund Contribution" in the amount we specify in our Franchise Operations Manual, currently 2% of Gross Revenue during the previous month. The Brand Fund Contribution will be used for the Herway brand fund ("Brand Fund") to promote awareness of our brand and to improve our System. We reserve the right to increase the Brand Fund Contribution to up to 3% of monthly Gross Revenue upon 60 days' written notice to you. If you operate in a state that does not permit the collection of percentage-based fees, we may implement an alternative fee structure upon 30 days' notice to you and will reconcile any payments with this new fee structure. We reserve the right to charge an alternative flat fee equal to up to $2,000 dollars per month.

6.6 Technology Set-Up Fee; Technology Maintenance Fee; Telehealth Marketing Fee

You must pay us our then-current "Technology Set-Up Fee" (currently $3,000 per Franchised Business) three months prior to opening for operations.

You must pay us our then-current monthly "Technology Maintenance Fee" (currently $1,000 per Franchised Business) each month during the term of this Franchise Agreement. We may increase this fee at any time and in our sole discretion upon 60 days' written notice to you. You must pay the Technology Maintenance Fees for the first three months of operation in advance on the same date you pay the Technology Set-Up Fee.

The Technology Set-Up Fee is a one-time fee to cover our cost to set up a landing page for your Model on our website and set up your Model in our system. The Technology Maintenance Fee will be used to maintain your website presence and for other technology-based services.

Once established, you will also pay the then-current "Telehealth Marketing Fee" to us each month. We will pass through this amount directly to our designated third-party advertising vendor for telehealth marketing services. This fee may increase on 30 days' written notice to you if the third-party vendor increases its fees. Although we do not currently plan to charge an administrative fee for our expenses to administer these services when implemented, we reserve the right in the future to charge such an administrative fee of up to 20% of the amount of the Telehealth Marketing Fee upon 60 days' written notice to you.

Under the Technology Maintenance Fee, we may change the software and technology that must be used by Franchised Business at any time we deem appropriate in our sole discretion, which may result in changes to the Technology Maintenance Fee. An increase in third-party fees may also cause the Technology Maintenance Fee to increase. You will be responsible for any increase in fees that result from any upgrades, modification, or additional software by us or by third-party vendors. We may modify the Technology Maintenance Fee upon written notice to you.

You must also pay our then-current technology business solutions fees to approved suppliers for certain business solutions that will support your business efficiencies. These may include phone systems, security systems, scheduling software, employee shift/task management software, inventory solution and any other solutions we may require in the Franchise Operations Manual or otherwise in writing for your Franchised Business. We reserve the right to upgrade, modify and add new systems, which may result in additional initial and ongoing expenses that you will be responsible for. You will be responsible for any increase in fees that result from any upgrades, modifications or additional systems and for any increase in fees from third-party providers. We may include these third-party fees in the Technology Maintenance Fee and pay suppliers directly on your behalf.

6.7 Other Fees and Payments

You agree to pay all other fees, expense reimbursements, and all other amounts specified in this Franchise Agreement and Franchise Operations Manual in a timely manner. You also agree to promptly pay us an amount equal to all taxes levied or assessed against us based upon products or services you sell or based upon products or services we furnish to you (other than income taxes we pay based on amounts).

6.8 Payment Methods

You must complete our automated clearing house (ACH) authorization form allowing us to electronically debit a bank account you designate ("Franchise Account") for: (i) all fees payable to us under this Franchise Agreement (other than the Initial Franchise Fee); and (ii) any other amounts you owe to us or any of our affiliates including, but not limited to, those owed for the purchase of products or services. We will debit your Franchise Account for these payments on or after the due date. You must sign and deliver to us any other documents we or your bank may require authorizing us to debit your Franchise Account for these amounts.

You must deposit all revenue you generate from operating your Franchised Business into the Franchise Account. You must make sufficient funds available for withdrawal from the Franchise Account by electronic transfer before each due date. If any check or electronic payment is unsuccessful due to insufficient funds, stop payment or any similar event, any excess amounts you owe will be payable upon demand, together with a non-sufficient funds fee of $100 per occurrence plus Interest on any late amounts. If we allow you make any payment to us or our affiliate(s) by credit card for any fee required, we may charge a payment service fee of up to 4% of the total charge. We reserve the right to periodically specify (in the Franchise Operations Manual or otherwise in writing) different required payment methods for any payment due to us or our affiliates.

6.9 Payment Frequency

We reserve the right to periodically specify (in the Franchise Operations Manual or otherwise in writing) different payment frequencies (for example, weekly/biweekly/monthly payments) for any payment or fee due to us or our affiliates.

6.10 Late Fees

If any sums due under this Franchise Agreement have not been received by us when due then, in addition to those sums, you must pay us a "Late Fee" of $100 per occurrence, plus the daily equivalent of eighteen percent (18%) per year compounded monthly or the highest rate allowed by law, whichever is less ("Interest") on the late amounts. If no due date has been specified by us, then interest accrues from the original due date until payment is received in full.

6.11 Application of Payments

We have sole discretion to apply any payments from you to any past due indebtedness of yours or in any other manner we feel appropriate. We are not obligated to follow any instructions you provide for allocation of the payments.

6.12 Adjustments to Fixed Fees

All fees expressed as a fixed dollar amount in this Franchise Agreement are subject to adjustment based on changes to the Consumer Price Index in the United States. We may periodically review and increase these fees based on changes to the Consumer Price Index ("CPI Increase"), but only if the increase to the Consumer Price Index is more than 5% higher than the corresponding Consumer Price Index in effect on: (a) the effective date of the Franchise Agreement (for the initial fee adjustments); or (b) the date we implemented the last fee adjustment (for subsequent fee adjustments). We will notify you of any CPI adjustment at least 60 days before the fee adjustment becomes effective. We will implement no more than one CPI Increase during any calendar year. Additionally unless otherwise indicated, for any fee that is listed as our then-current fee in this Franchise Agreement, we reserve the right to increase these fees to the greater of: (a) a maximum of 20% per year, calculated cumulatively each year, meaning that we may compound the increase to include 20% increases that were not implemented in previous years; or (b) the amount of any increases in fees from third parties for the underlying products or services.

7. ESTABLISHING YOUR FRANCHISED BUSINESS

7.1 Opening

You must open your Franchised Business to the public within 12 months after the Effective Date (the "Opening Deadline"). You may not open your Franchised Business before: (i) all required attendees have successfully completed the initial training program and all required Medical Professionals have obtained all medical training; (ii) you purchase all required insurance; (iii) you and/or Medical Professionals obtain all required licenses, certifications, permits and other governmental approvals required to establish, open and operate the Franchised Business; (iv) we provide our written approval of the construction, buildout and layout of your Clinic; (v) and you receive our written approval.

If you believe we have failed to adequately provide pre-opening services or training to you as provided in this Franchise Agreement, you shall notify us in writing within 30 days following the opening of the Franchised Business. If you do not provide such notice in a timely manner, it will be viewed as you conclusively acknowledging that all pre-opening and opening services and training required to be provided by us were sufficient and satisfactory in your judgment.

7.2 Site Selection

If a suitable location for the Clinic has not been agreed upon by the Effective Date, we will provide you with general advice and general specifications for identifying a suitable location for the Franchised Business. You must use our approved vendors to counsel you in locating the site for your Franchised

Business. The Franchised Business and the Clinic must conform to our minimum site selection criteria. You must send us a complete site report (containing the demographic, commercial and other information, photographs and videos we may reasonably require) for your proposed site within 30 days after signing this Agreement. We may require that you obtain a feasibility study for the proposed site at your sole cost. We may accept or reject all proposed sites in our commercially reasonable judgment. We will use our best efforts to accept or reject a proposed site within 30 days after we receive all of the requisite materials. Your site is deemed disapproved if we fail to issue our written approval within the 30-day period. If we disapprove of the proposed site, you must select another site, subject to our consent, within 60 days after the end of the later of your receipt of our disapproval or the end of such 30-day period, and we will have an additional 30 days to review that submittal. Your failure to meet site selection deadlines outlined in this Section or submission of incomplete information is a default of this Franchise Agreement, and you will have fifteen (15) days to cure such default. If you fail to cure the default or you and we fail to reach an agreement regarding a site, we have the right to terminate your Franchise Agreement (it being understood that all restrictive and other covenants of your Franchise Agreement shall survive such termination), and we will retain all fees paid.

Our approval shall be evidenced by the execution of Attachment A-1 by you and us. You must purchase or lease the site for your Franchised Business within 60 days after receiving our approval of a site. You must only operate the Franchised Business at the location specified in Attachment A-1 and your Franchised Business may not offer products or services from any other location unless we expressly authorize in writing. You acknowledge that our approval of a site does not constitute a representation or warranty of any kind, express or implied, of the suitability of the site for the Franchised Business. Our approval of the site indicates only that the site meets our minimum criteria. You agree to locate and obtain our approval of the Clinic within 180 days after the Effective Date.

7.3 Lease

If you lease the Franchised Business, you must submit to us, in the form we specify, a description of the site, a proposed copy of the lease and such other information and materials we may reasonably require at least 10 days before signing the lease. If you own, otherwise control the Franchised Business, including the land, building and related real estate, or own 51% or more of an entity that owns, leases or otherwise controls the Franchised Business, then you will, as the lessee, enter into a lease for the Franchised Business for a term coextensive with the term of this Franchise Agreement. You will ensure the lease either: (1) contains the "Lease Addendum" that is attached to the franchise disclosure document in Exhibit H; or (2) incorporates the terms of the Lease Addendum into the lease for the Franchised Business. If your landlord refuses, we have the right to disapprove your lease, in which case you must find a new site for your Franchised Business. You and the landlord must sign the lease within 60 days after receiving our approval of a site and in any case, within 180 days of the Effective Date.

We will only review the lease to determine that it complies with the terms of this Franchise Agreement and will not provide you with any business, economic, legal or real estate analysis or advice with regards to the lease. You are solely responsible for the terms of the lease and any site acceptance letter we provide for the lease does not provide any representation or warranty of any kind, express or implied, concerning the terms of the lease or the viability or suitability of the site for the Franchised Business. You must promptly send us a copy of your fully executed lease and any Lease Addendum for our records. The lease may not be amended, assigned or terminated without our written approval. If the landlord terminates the lease for the Franchised Business, that termination will constitute a breach of this Franchise Agreement.

If your Clinic is an MSO Model, your lease must allow for the sublease or licensing of the space to the Medical Professional(s), and, once the lease is approved and signed, subject to applicable law, you will sublease or license the space to the Medical Professional under such terms as you may negotiate. You must take all other steps necessary under applicable law to ensure that use of the space by the Medical

Professional(s) maintains the separation between the ownership of the medical practice by the Medical Professional(s) and your right to deliver the MSO Services.

7.4 Construction

We will provide you with specifications for the design and layout for the Franchised Business. You must hire an architect in order for any modifications to these plans to comply with all local ordinances, building codes, permits requirements, and lease requirements and restrictions applicable to the Franchised Business. You must first review and accept the architect's drafted floor plan and submit your floor plan to us for our review and acceptance. Once we accept your floor plan, the architect must develop your full construction drawings for the Franchised Business. Upon your review and acceptance, you must submit your construction drawings to us for our final review and approval. Once we accept your floor plan and approve your construction drawings, drawings and specifications may not be changed or modified without our prior written approval. Once accepted by us, you must, at your sole expense, construct and equip the Franchised Business to the specifications contained in the Franchise Operations Manual and purchase (or lease) and install the equipment, fixtures, furnishings, signs and other items we require. All exterior and interior signs of the Franchised Business must comply with the specifications we provide to you. We must approve the architects, contractors and other suppliers you use to construct your Franchised Business. You agree to provide us with weekly status updates as to construction of the Franchised Business. You acknowledge these requirements are necessary and reasonable to preserve the identity, reputation and goodwill we developed and the value of the Herway System. We must approve the layout of your Franchised Business before opening. We may conduct a pre-opening inspection of your Franchised Business and you agree to make any changes we require before opening.

7.5 Catastrophe

If your Franchised Business is destroyed or damaged by fire or other casualty or if your Franchised Business is subject to eminent domain during the Term of this Franchise Agreement and the lease for your Franchised Business has at least two years remaining, you will: (i) within 30 days after such destruction or damage of your Franchised Business, commence all repairs and reconstruction necessary to restore the Franchised Business to its prior condition to such casualty; or (ii) relocate the Franchised Business under the relocation provisions in this Section and the Franchise Operations Manual, and the Term shall be extended for the period from the date the Franchised Business closed due to the destruction or damage until it reopens.

7.6 Use of Franchised Business and Clinic

You may not use your Franchised Business or permit your Franchised Business to be used for any purpose other than offering the products and services we authorize and you may only offer the products and services we authorize from your Franchised Business.

7.7 Relocation

You may relocate your Franchised Business within your Territory with our prior written approval, which we will not unreasonably withhold. If we allow you to relocate within your Territory, you must: (i) comply with all requirements of the Franchise Agreement and the Franchise Operations Manual regarding relocation and the selection, construction and decoration of your new Herway Clinic; (ii) open your new Franchised Business and resume operations within 30 days after closing your prior Franchised Business, or in the event of a catastrophe to the Franchised Business, within the applicable time periods set forth in the Franchise Operations Manual or otherwise in writing; (iii) pay us a relocation fee for the assessment of your proposed site for relocation, which is currently $5,000 and which we may increase at any time to up to $7,500, in our sole discretion upon 60 days' prior written notice to you; and (iv) reimburse us for our

reasonable expenses (including attorney fees and costs). You may not relocate your Franchised Business outside of your Territory without our prior written approval, which we may withhold in our sole discretion. We may require that your Territory be modified as a condition to our approval of you relocating your Franchised Business. Upon our approval of the relocation of your Franchised Business, Attachment A shall be updated with the new location (and Territory, if necessary), and the remainder of this Franchise Agreement shall remain in full force and effect.

8. TRAINING AND CONFERENCES

8.1 Initial Training Program

We will provide our initial training program for a fee of $500 for up to seven people so long as all persons attend the initial training program simultaneously. The initial training program must be completed within 30 days prior to the date that your Franchised Business is scheduled to open. You must pay us our then-current training fee as specified in our Franchise Operations Manual for: (i) each additional person that attends our initial training program before you open; (ii) except as expressly described in this Section 8.1 below, each additional person that attends after you open your Franchised Business (such as a replacement Responsible Owner or Franchise Manager); and (iii) any person who must retake training after failing to successfully complete training on a prior attempt. We reserve the right to vary the length and content of the initial training program as we deem appropriate in our sole discretion based on the experience of the attendee. We shall determine the scheduling, exact duration, contents and manner of the initial training program in our discretion and may delay your attendance until a suitable time near the grand opening date for your Franchised Business in our discretion.

If you replace or hire an additional Franchise Manager, Responsible Owner or other required trainee during the first 90 days following the opening of your Herway Business, the Franchise Manager, Responsible Owner or other required trainee must attend the complete Initial Training program (currently, the shadow days and the virtual training).

If you replace or hire an additional Franchise Manager, Responsible Owner or other required trainees after the first 90 days that your Franchised Business is open, but within the first year, you will have the option to have your additional or replacement Franchise Manager, Responsible Owner or other required trainees attend the Initial Training program.

If your Franchised Business has been open for more than one year, we will not offer shadow days to replacement or additional trainees; however, these trainees will have the option to complete the virtual training.

If the Franchised Business is not your first Franchised Business within the System, we are not required to provide Initial Training to you. However, we may require you to complete Initial Training for additional franchises in our discretion, or you may request it, which we will approve in our sole discretion. You must pay us our then-current training fee for all Initial Training that you attend prior to your scheduled Initial Training.

We reserve the right to charge our then-current additional training fee for replacement or additional trainees, per day for each shadow day. You must also pay for any and all airfare, meals, transportation costs, lodging, and incidental expenses for all attendees incurred while attending initial training, shadow days, or other in-person training. We do not charge a fee for the virtual training for replacement or additional trainees. The availability of this training is subject to space considerations and prior commitments to other franchisees.

8.2 Medical Training

In addition to the Initial Training program described above, all Medical Professionals who will administer, when clinically appropriate, medical services at the Clinic, must participate in the then-current required medical training, which is provided by our approved training vendors. Medical Training is not conducted by us. You must pay our approved training vendors their then-current fee for medical training.

8.3 Additional Training

We may offer periodic refresher training courses or develop additional training courses. Attendance at these training programs may be optional or mandatory. You may be required to pay the then-current fee for this training as specified in our Franchise Operations Manual. If we travel to your Franchised Business, you will be responsible for our airfare, meals, transportation, costs, lodging and incidental expenses. We also reserve the right to require you or your Medical Professionals to attend additional medical training.

8.4 Requested Training

Upon your written request, we may provide additional assistance or training to you at a mutually convenient time. You may be required to pay the then-current fee for this training as specified in our Franchise Operations Manual, and you must pay for airfare, meals, transportation costs, lodging, and incidental expenses for all attendees of such additional requested, optional training.

8.5 Remedial Training

If we determine, in our sole discretion, that you are not operating your Franchised Business in compliance with this Franchise Agreement and/or the Franchise Operations Manual, we may require that you, your employees and other designees attend remedial training relevant to your operational deficiencies. You must pay us the then-current training fee as specified in our Franchise Operations Manual. We also reserve the right to require you or your Medical Professionals to attend additional medical training.

8.6 Conferences

We may hold periodic national or regional conferences to discuss various business issues and operational and general business concerns affecting Herway franchisees. Attendance at these conferences may be invite only, mandatory or optional in our sole discretion. We also reserve the right to restrict franchisees from attending based on past performance, previous defaults and other factors in our sole discretion. You are responsible for paying our then-current conference fee, whether or not you attend the conference in any given year. We will notify you of this fee at least 60 days before the conference is to occur.

8.7 Training Expenses

You are solely responsible for all expenses and costs that your trainees incur for all trainings and conferences under this Section, including wages, travel, lodging, food and living expenses. You also agree to reimburse us for all expenses and costs we incur to travel to your Franchised Business under this Section, including travel, food, lodging and living expenses. All training fees and expense reimbursements must be paid to us within 10 days after invoicing.

9. OTHER FRANCHISOR ASSISTANCE

9.1 Franchise Operations Manual

We will lend you our confidential franchise operations manual ("Franchise Operations Manual") in text or electronic form for the Term of this Franchise Agreement. The Franchise Operations Manual will help you establish and operate your Franchised Business in accordance with the System. The information in the Franchise Operations Manual is confidential and proprietary and may not be disclosed to third parties without our prior written approval. The Franchise Operations Manual may be updated and modified throughout the Term, both formally through amendments to the Franchise Operations Manual and informally through email or other written materials we provide to you. You acknowledge that your compliance with the Franchise Operations Manual is vitally important to us and other System franchisees because it is necessary to protect our reputation, the goodwill of the Marks, and maintain the uniform quality of the System.

You agree to establish and operate your Franchised Business strictly in accordance with the Franchise Operations Manual. The Franchise Operations Manual may contain, among other things: (i) a description of the authorized products and services you may offer at your Franchised Business; (ii) mandatory and suggested specifications, operating procedures, and quality standards for goods, products, services, that you use or offer at your Franchised Business; (iii) policies and procedures we prescribe from time to time for our franchisees; (iv) mandatory reporting and insurance requirements; (v) policies and procedures pertaining to any gift card program we establish; and (vi) a written list of furniture, fixtures, equipment, products and services (or specifications for such items) you must purchase for the development and operation of your Franchised Business and a list of any designated or approved suppliers for such items. The Franchise Operations Manual establishes and protects our brand standards and the uniformity and quality of the products and services offered by our franchisees. We can modify the Franchise Operations Manual at any time. The modifications will become binding as soon as we send you notice of the modification. All mandatory provisions in the Franchise Operations Manual (whether they are included now or in the future) are binding on you, subject to the Professional Judgment exercised by the Medical Professional or any medical staff.

While the Franchise Operations Manual is intended to protect our reputation and goodwill of the Marks, you will be responsible for the day-to-day operation of your Franchised Business, and the Franchise Operations Manual is not designed to control the day-to-day operation of the Franchised Business.

9.2 General Guidance

We will, upon reasonable request, provide advice or guidance regarding your Franchised Business's operation based on reports or inspections or communications with you. We will provide reasonable marketing consulting, guidance and support throughout the Term we deem appropriate. Any advice will be given during our regular business hours and via written materials, electronic media, telephone or other methods, in our discretion. If a visit is provided at your request, you must reimburse us our expenses and pay our then-current training charges.

We maintain a staff to manage and operate the Herway System and our staff members can change as employees come and go. We cannot guarantee the continued participation by or employment of any of our shareholders, directors, officers, employees or staff.

9.3 Website

We will maintain a website for Franchised Businesses ("System Website") that will include the information about your Franchised Business we deem appropriate. We may modify the content of and/or discontinue the System Website at any time in our sole discretion. We are only required to reference your

Franchised Business on our System Website while you are in full compliance with this Franchise Agreement and all System standards. We must approve all content about your Franchised Business. We will own the System Website (including any webpages for your Franchised Business) and domain names. We intend that any franchisee website will be accessed only through this System Website.

9.4 Supplier Agreements

We may, but are not required to, negotiate agreements with suppliers to obtain products or services for our franchisees. If we negotiate an agreement, we may arrange for you to purchase the products directly from the supplier. We may receive rebates from these suppliers based on your purchases. We may also purchase certain items from suppliers in bulk and resell them to you at our cost (including overhead and salaries), plus shipping fees and a reasonable markup, in our sole discretion.

10. MANAGEMENT AND STAFFING

10.1 Owner Participation

If you are an Entity, you must designate an Owner who will be principally responsible for communicating with us about the Franchised Business ("Responsible Owner"). If you are an individual, you are the Responsible Owner. The Responsible Owner must have the authority and responsibility for the day-to-day operations of your Franchised Business. You acknowledge that a major requirement for the success of your Franchised Business is the active, continuing and substantial personal involvement, and hands-on supervision by your Responsible Owner. Your Responsible Owner must be actively involved in operating the Franchised Business on a full-time basis and provide on-site management and supervision, unless we permit you to delegate management functions to a Franchise Manager. If you appoint a new Responsible Owner then in addition to any Transfer conditions, that person must attend and successfully complete our initial training program at your sole cost and expense.

10.2 Franchise Manager

You may hire a manager to assume the Responsible Owner's responsibility for the daily in-person on-site management and supervision of your Franchised Business ("Franchise Manager"), but only if: (i) we approve the Franchise Manager in our commercially reasonable discretion; (ii) the Franchise Manager successfully completes the initial training program; and (iii) your Responsible Owner agrees to assume responsibility for the on-site management and supervision of your Franchised Business if the Franchise Manager is unable to perform his or her duties until such time that you obtain a suitable replacement Franchise Manager. We do not require that the Franchise Manager have an ownership interest in the legal entity of the Franchise owner. If you hire a new Franchise Manager, the new Franchise Manager must attend and successfully complete our initial training program at your sole cost and expense.

10.3 Staff

You must comply with all state and local laws and regulations regarding the staffing and management of a Clinic. You are responsible for appropriate staffing levels for your Franchised Business to ensure full compliance with this Franchise Agreement and our System standards. You are solely responsible to hire, train and supervise employees or independent contractors to assist you with the proper operation of the Franchised Business. You must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings levied or fixed by any city, state or federal governmental agency, or otherwise required by law) due for your and/or your Medical Professional's employees or as applicable, for your independent contractors. These employees and independent contractors will be your employees or contractors, not ours. We do not control the day-to-day activities of your employees or independent contractors or the manner in which they perform their assigned tasks. You

agree to inform each of your employees and independent contractors you are exclusively responsible for supervising their activities and dictating the manner in which they perform their assigned tasks. In this regard, you must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, consulting agreements, timecards and similar items.

You and the Medical Professionals, as appropriate, shall have sole responsibility and authority for all employment-related decisions, including employee hiring, promotion, firing, hours worked, rates of pay, benefits, work assignments, training and working conditions, compliance with wage and hour requirements, personnel policies, recordkeeping, supervision and discipline. We will not provide you with any advice or guidance on these matters. You must require your employees and independent contractors to review and sign any acknowledgment form we prescribe that explains the nature of the franchise relationship and notifies the employee or independent contractor that you are his or her sole employer. You must also post a conspicuous notice for employees and independent contractors in the back-of-the-house area explaining your franchise relationship with us and that you (not we) are the sole employer. We may prescribe the form and content of this notice. You agree that any direction you receive from us regarding employment/engagement policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel competent in employment law.

11. BRAND FUND

The Brand Fund is used to promote public awareness of our brand and to improve our System. You are required to pay the Brand Fund Contribution. The Brand Fund may be administered by us or our affiliate or designees, at our discretion. We may use the Brand Fund for any expenditure that we, in our sole discretion, deem necessary or appropriate to promote or improve the System or the Herway brand.

To illustrate, these may include, but are not limited to, the following: (i) developing, maintaining, administering, directing, preparing or reviewing advertising and marketing materials, promotions and programs, including social media management; (ii) raising public awareness of any of the Marks; (iii) improving public and consumer relations and publicity; (iv) brand development; (v) research and development of technology, products and services; (vi) website development (including social media) and search engine optimization; (vii) development and implementation of quality control programs and other reputation management functions; (viii) conducting market research; (ix) changes and improvements to the System; (x) covering the fees and expenses of any advertising agency we engage to assist in producing or conducting advertising or marketing efforts; (xi) paying the proportionate salary share of our employees that devote time and provide services for advertising, promotion, collection, accounting or administration of the Brand Fund; (xii) preparing and distributing financial accountings of the Brand Fund; (xiii) developing training tools; and (xiv) paying our and our affiliates' expenses associated with direct or indirect labor, administrative, overhead, or other expenses incurred in relation to any of these activities.

We have sole discretion in determining the content, concepts, materials, media, endorsements, frequency, placement, location, and all other matters pertaining to any of the previously listed activities. Any surplus amounts in the Brand Fund may be invested. Any unused funds collected in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Brand Fund on any terms we deem reasonable. The Brand Fund is not a trust, and we have no fiduciary obligations to you regarding our administration of the Brand Fund. An unaudited financial accounting of the operations of the Brand Fund, including deposits into and disbursements from the Brand Fund, will be prepared annually and provided to you upon written request.

We do not ensure that our expenditures from the Brand Fund in or a particular geographic area are proportionate or equivalent to the Brand Fund Contribution by our franchisees operating in that geographic area or that any of our franchisees benefit directly or in proportion to their Brand Fund Contribution. We reserve the right to change, merge, re-form or dissolve the Brand Fund in our discretion. We will not use

the Brand Fund for advertising principally for the solicitation and sale of Franchises, but we reserve the right to include a notation in any advertisement or website indicating "franchises available" or similar phrasing. We may, upon 30 days' prior written notice to you, reduce or suspend Brand Fund Contribution and operations for one or more periods of any length and terminate and/or reinstate the Brand Fund. We will spend all amounts before any termination of the Brand Fund.

12. FRANCHISEE MARKETING AND ADVERTISING

12.1 Standards

All advertisements and promotions you create or use must be completely factual, conform to the highest standards of ethical advertising, comply with all federal, state and local laws, rules and regulations, and comply with our standards in the Franchise Operations Manual. You must ensure that your advertisements and promotional materials do not infringe upon the intellectual property or legal rights of others.

12.2 Promotional Programs

We may periodically create advertising and sales promotion programs and materials to enhance the collective success of all Herway franchisees operating under the System. You must participate in all rebates, giveaways, advertising and sales promotion programs in accordance with the terms and conditions that we specify. These promotional programs may require that you offer products or services at no charge or discounted rates. We may also request you purchase and use advertisements and promotional materials we designate for your Franchised Business.

12.3 Marketing Materials

You must order any sales and marketing material from us, or our designated suppliers (which may be an affiliate), that we require. We may create advertising and other marketing materials available, and make these available to you. We may charge you for these materials. We may make these materials available over the Internet (in which case you must arrange for printing the materials and paying all printing costs). We may also enter into relationships with third party suppliers who will create the advertising or marketing materials for your purchase.

12.4 Approval

We must approve all advertising and promotional materials we did not prepare or previously approve (including materials we prepared or approved and you modify) before you use them, including but not limited to, those related to any grand opening advertising, local advertising, online advertising, or any other advertising of your Franchised Business that you wish to conduct. We will be deemed to have disapproved the materials if we fail to issue our approval within 30 days after receipt. You may not use any advertising or promotional materials that we have disapproved (including materials that we previously approved and later disapproved of). If you utilize any advertising that we have not approved, we may assess a fee of $500 for each use of the unauthorized advertising.

12.5 Grand Opening

You must spend at least $20,000 on approved grand opening marketing, advertising and promotion for your Franchised Business ("Grand Opening Program") during the period commencing 60 days before and ending 60 days after the Opening Deadline. We will consult with you in connection with your Grand Opening Program. You agree to provide us with an accounting (in the form prescribed by us) of your expenditures for grand opening marketing, advertising, and promotion upon our request. All expenditures

for grand opening marketing, advertising and promotion will be in addition to your other marketing, advertising and promotion obligations under the Franchise Agreement.

12.6 Online Advertising/Digital Marketing Fee

You may not maintain a separate website, conduct e-commerce, or otherwise maintain a presence on the Internet in connection with your Franchised Business without our express written permission, which we may revoke at any time, in our sole discretion. Any website we permit you to establish will be subject to all of your marketing and advertising requirements under this Franchise Agreement and the Franchise Operations Manual or otherwise provided in writing. If you wish to utilize social media or advertise online, you must follow our online policy contained in our Franchise Operations Manual. Our online policy may change as technology and the Internet changes. We may require that you utilize our designated supplier for social media marketing services, at your expense. You may not use the Marks in any fundraising campaign, including crowdfunding. We may restrict your use of social media. We restrict your ability to independently market on the Internet, and we may not allow you to use any domain name, address, locator, link, metatag or search technique with words or symbols similar to the Marks. For additional local advertising you elect to conduct online, you must obtain our approval as described above in Section 12.4.

Beginning on the date you open your Franchised Business, you will pay us our then-current monthly fee to provide or procure digital marketing services for your Franchised Business ("Digital Marketing Fee"). Currently, the Digital Marketing Fee is $2,500 per Franchised Business per month. The Digital Marketing Fee is used to provide and/or procure marketing, which may include custom microsite development and ongoing maintenance, optimized google rankings, Google My Business account management, keyword targeting, domain/keyword authority, local search engine optimization (SEO), on-page SEO, off page SEO, technical SEO audits, backlink building, landing page network buildouts, competitor analysis, copywriting, and reporting for your Franchised Business ("Digital Marketing"). We may increase the Digital Marketing Fee by up to 20% each calendar year upon 60 days' written notice. Additionally, for each Franchised Business you operate, you will pay a one-time $2,500 digital marketing setup fee ("Digital Marketing Set-Up Fee") three months prior to opening your Franchised Business.

If you are approved and enter into an Area Development Agreement with us and ultimately operate four or more Franchised Businesses, the Digital Marketing Fees for the fourth and subsequent Franchised Businesses will be reduced (currently $500 per month).

12.7 Advertising Cooperative

You must participate in any advertising cooperative that we require for the purpose of creating and/or purchasing advertising programs for the benefit of all franchisees operating within a particular region. Members of the cooperative will be responsible for administering the cooperative, including determining the amount of contributions from each member. We may require that each cooperative operate with governing documents and prepare annual unaudited financial statements. We may form, change, dissolve or merge any advertising cooperative. Your participation in any cooperative must be in compliance with the provisions of the Franchise Operations Manual, which we may periodically modify at our discretion. We have the right to determine the composition of all geographic territories and market areas for each advertising cooperative. Franchisees in each cooperative will contribute an amount to the cooperative for each Franchised Business that the franchisee owns that exists within any cooperative's geographic area. Each Herway business we own that exists within the cooperative's area will contribute to the cooperative on the same basis as franchisees.

12.8 Advisory Council

We may form, change, merge or dissolve an advisory council ("Council") at any time, in our sole discretion, to advise us on advertising policies and to promote communications between us and all franchisees. Any such Council will be governed by bylaws that will specify that members of the Council would consist of both franchisees and franchisor representatives and will specify how members are selected, subject to any changes to such bylaws or structure we deem necessary in our sole discretion. Any Council would serve in an advisory capacity only. We may grant the Council any operational or decision-making powers we deem appropriate.

13. BRAND STANDARDS

13.1 Generally

You agree to operate your Franchised Business: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with our standards and all other terms of this Franchise Agreement and the Franchise Operations Manual. Any required standards exist to protect our interests in the System and the Marks, and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards generally will be in the Franchise Operations Manual or other written materials and may be periodically modified over the Term. To protect our interests in the System and Marks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

13.2 Authorized Products and Services

The products or services offered by the Franchised Business are subject to change upon notice to you, and we do not represent that your Franchised Business will always be permitted or required to offer all of the products or services currently offered. You agree to offer all products and services we require from time to time. You may not offer any other products or services at your Franchised Business without our prior written permission. You must ensure that the Medical Professional endorses and utilizes the approved equipment products and services at the Clinic, so that the Franchised Business at all times offers and sells approved products and services only in the manner we have approved. Notwithstanding the foregoing, the Medical Professional will retain clinical autonomy and, at no time, will we, you or our affiliates attempt to or actually control, manage or otherwise dictate any medical services to be performed by any medical personnel to any patients or otherwise attempt to control the doctor-patient relationship or practice of medicine.

You may incur additional expenses to offer new or remove products or services. Our addition, modification or deletion of one or more products or services will not constitute a termination of this Franchise Agreement. You will not enter into any agreements with any third parties that can process orders for you on your behalf without our express written permission, which we may revoke at any time, in our sole discretion. We may, but are not required to, create Herway proprietary products for sale at your Franchised Business.

You agree to maintain an adequate inventory of all items in accordance with the Franchise Operations Manual. As required by the Franchise Operations Manual or otherwise in writing, you agree to purchase or lease certain products and services only from suppliers designated or approved by us (which may include, or be limited exclusively to, us or our affiliates). You acknowledge that our right to specify the suppliers you may use and add or remove suppliers is necessary and desirable. This right allows us to control the uniformity and quality of products and services used, sold or distributed in connection with the development and ongoing operation of your Franchised Business, maintain the confidentiality of our trade secrets, obtain discounted prices for our franchisees if we choose to do so, and protect the reputation and goodwill associated with the System and the Marks. If we receive rebates or other financial consideration from these

suppliers based upon your purchases or any other of our franchisee's purchases, we have no obligation to pass these amounts on to you or to use them for your benefit. If we do not require you to use a designated source or approved supplier for a particular item, you may purchase the item from any vendor you choose so long as your purchases conform to our System and specifications. We may restrict the sourcing of current and future items.

If you wish to purchase any items or supplies from a supplier we have not approved or wish to offer any new product or service we have not authorized in writing, you must send us a written notice specifying the supplier's name and qualifications or product or service information and provide any additional information we request. We will approve or reject your request within 30 days after we receive your notice and all additional information (and samples) that we require. If we fail to issue our approval within the 30-day period, it will have the same effect as a rejection to the request. You must reimburse us for all costs and expenses we incur in reviewing a proposed supplier, product or service within 10 days of our invoice. We may revoke approval of any supplier, product or service in our sole discretion in which case you must stop purchasing from such supplier or offering such product or service upon our written notice. At the time the Franchised Business opens for business, you will stock the initial inventory of supplies, equipment and materials prescribed by us and/or required by the Medical Professional. Thereafter, you will stock and maintain all types of supplies, equipment and materials which we prescribe or are required by the Medical Professional, in quantities sufficient to meet reasonably anticipated customer demand. Additionally, requirements relating to equipment and products to be used in connection with medical services provided to patients by the Medical Professional will be subject to the Medical Professional's approval.

13.3 Equipment Maintenance and Changes

You agree to keep any equipment used in the operation of your Franchised Business in good condition and promptly replace or repair any equipment that is damaged, worn out or obsolete. We may require that you add new equipment or change, upgrade or replace your equipment, which may require you to make additional investments. You acknowledge that our ability to require franchisees to make significant changes to their equipment is critical to our ability to administer and change the System, and you agree to comply with any such required change within a reasonable time period designated by us, unless prohibited by applicable law.

13.4 Hours of Operation

You must keep your Franchised Business open for the minimum hours and minimum days of operation as specified in the Franchise Operations Manual, which may change over the Term. Your Franchised Business must be open every day of the year, other than those approved national holidays listed in the Franchise Operations Manual, unless otherwise agreed to by us. We may require you to establish specific hours of operation and submit those hours to us for approval.

13.5 Customer Issues

You acknowledge the importance to the System and uniform standards of quality, service and customer satisfaction, and recognize the necessity of opening and operating a Franchised Business in conformity with the System. You agree to manage the Franchised Business in an ethical and honorable manner, and ensure that all those working at the Franchised Business provide courteous and professional service to Patients. If you receive a customer complaint, you must promptly follow the complaint resolution process we specify to protect the goodwill associated with the Marks. Also, if we are contacted by a Patient of your Franchised Business who wishes to lodge a complaint, we reserve the right to address the Patient's complaint to preserve goodwill and prevent damage to the Marks. Our right to address complaints may include refunding money to a dissatisfied Patient, in which case you must reimburse us for these amounts

including the value of any gift card, refund or other value we provide to the customer as part of addressing the issue.

We, or our authorized representative, shall have the right, during regular business hours, or at such other times as we may mutually agree upon, to inspect all documents and records related to the Franchised Business, except those protected by HIPAA (defined below) or other similar patient confidentiality laws.

13.6 Standards Compliance

You acknowledge the importance of every standard and operating procedures to the reputation and integrity of the System and the goodwill associated with the Marks. If you fail to follow any of the System standards, we may send you a notice of violation and charge you a "Non-Compliance Fee" of $500 per violation and an amount from $100 to $500 per day that the violation remains uncorrected. These fees are in addition to any and all remedies that we have available under this Franchise Agreement, including, but not limited to, termination.

13.7 Payment Vendors and Data Security

You agree to maintain, at all times, credit card relationships with the credit and debit card issuers or sponsors, check or credit verification services, financial center services, payment providers, merchant service providers, loyalty and gift cards, and electronic fund transfer systems (together, "Payment Vendors") that we may periodically designate as mandatory. The term "Payment Vendors" includes, among other things, companies that provide services for electronic payment. You agree not to use any Payment Vendor for which we have not given you our prior written approval or to which we have revoked our earlier approval. We may modify our requirements and designate additional approved or required methods of payment and vendors for processing such payments, and revoke our approval of any service provider. You agree to comply with the then-current Payment Card Industry Data Security Standards as those standards may be revised and modified by the PCI Security Standards Council, LLC, or any successor organization or standards we may reasonably specify. You agree to implement the enhancements, security requirements and other standards that PCI Security Standards Council, LLC (or its successor) requires of a merchant that accepts payment by credit and/or debit cards or electronic payments.

13.8 Gift Cards and Loyalty Programs

You agree to participate in our gift card and loyalty programs, if any, and agree to make gift cards and loyalty programs available for purchase and redemption at your Franchised Business subject to the policies and procedures in the Franchise Operations Manual.

13.9 Privacy

You agree to comply with all applicable international, federal, state and local laws pertaining to the privacy and use of patient, employee, and transactional information, including, but not limited to, the Health Insurance Portability and Accountability Act (together with all related laws and regulations "HIPAA") and the Telephone Consumer Protection Act ("TCPA") ("Privacy Laws"). You agree to research and proactively ensure that your Franchised Business is in compliance with Privacy Laws, which may vary depending on the location of your Franchised Business. You also agree to comply with our standards and policies pertaining to Privacy Laws. You agree to inform us of any conflict between our standards and policies and any local or state Privacy Laws that govern your Franchised Business and ensure that your conduct complies with all those local or state Privacy Laws.

13.10 Remodeling

You agree to remodel and make all improvements and alterations to your Franchised Business we reasonably require from time to time to reflect our then-current image, appearance and Franchised Business specifications. There is no limitation on the cost of any remodeling that we may require. You will not cause or allow any furnishings, fixtures, equipment, signs, décor, ATM machines, vending machines, video games, juke boxes, public telephone, or other type of vending machines to be installed on the Franchised Business without our prior approval. However, we will not be required to approve any proposed remodeling or alteration that would conform to our then-current standards, specifications or image requirements. You agree to complete any remodel of the Franchised Business within nine months after receiving our written request specifying the requirements.

13.11 Mystery Shopper

At any time, we reserve the right to engage the services of one or more mystery shoppers or quality assurance inspection firms who will inspect your Franchised Business for quality control purposes. These inspections may address a variety of issues, including, but not limited to, customer service, sanitation, and inventory rotation. You agree to fully cooperate with any such inspection.

13.12 Franchised Business Maintenance

You agree to maintain your Franchised Business in good order and condition, reasonable wear and tear excepted, and make all necessary repairs, including replacements, renewals and alterations at your sole expense, to comply with our standards and specifications. Without limiting these obligations, you agree to take the following actions at your sole expense: (i) thorough cleaning, repainting and redecorating of the interior and exterior of the Franchised Business at the intervals we may prescribe (or at such earlier times that such actions are required or advisable); and (ii) interior and exterior repair of the Franchised Business as needed. You agree to comply with any maintenance, cleaning or facility upkeep schedule we prescribe from time to time.

13.13 Co-Branding

If you are a current Gameday Men's Health franchisee or subsequently acquire a franchise of our affiliate Gameday Men's Health, we may approve you to operate the Franchised Business in a co-branded, co-located, or shared-premises arrangement with a Gameday Men's Health business. If we, exercising our sole discretion, approve you to do so, you must enter into a Co-Branding / Co-Location Addendum to the Franchise Agreement which may impose additional requirements relating to site approval, floor plan, signage, separation of brands, approved shared resources, staffing, websites, social media, technology systems, books and records, and de-branding or separation obligations if the arrangement later ends. You must be an existing Gameday Men's Health franchisee or sign a separate franchise agreement with Gameday Men's Health in order to be eligible to be approved for Co-Branding and Co-Location at the Franchised Business.

14. TECHNOLOGY

14.1 Technology

You must utilize the technology, including software, computer hardware and components, point of sale system, cash register(s), communication equipment, and other related accessories or peripheral equipment (collectively, "Technology") that we require. We may change the Technology you must use for your Franchised Business at any time. You will utilize the Technology with the Franchised Business under our policies and procedures in the Franchise Operations Manual. You must pay the Technology

Maintenance Fee for the use of certain technologies used in the operation of your Franchised Business. For other required Technology, you agree at your expense to use any approved supplier we require. We may change or add approved suppliers of this Technology at any time, in our sole discretion. You will, at your expense, purchase and maintain any required communication services, Internet services (including the requirement to maintain a high-speed Internet connection), dedicated telephone and power lines. You acknowledge and agree that changes to Technology are dynamic and not predictable within the Term of this Franchise Agreement. To provide for inevitable but unpredictable changes to technological needs and opportunities, you agree that we may establish, in writing, reasonable new standards for implementing Technology in the System and you agree to comply with those reasonable new standards we establish as if we periodically revised this Section for that purpose. You will keep the Technology in good maintenance and repair, and you will promptly install, at your expense, any additions, changes, modifications or substitutions to Technology, as we may specify periodically. There is no limitation on the frequency and cost of your obligation to maintain, update or upgrade your Technology or its components. You acknowledge that you are solely responsible for protecting your Franchised Business from computer viruses, bugs, failures, data breaches and attacks by hackers and other unauthorized intruders in the Technology.

14.2 Proprietary Software

We may also develop proprietary software or technology that must be used by Herway franchisees. If this occurs, you agree to enter into a license agreement with us (or an affiliate of ours) and pay us (or our affiliate) commercially reasonable licensing, support and maintenance fees. The license agreement will govern the terms under which you may utilize this software or technology. We also reserve the right to enter into a master software or technology license agreement with a third-party licensor and then sublicense the software or technology to you, in which case we may charge you for all amounts we must pay to the licensor based on your use of the software or technology.

14.3 Our Access

You will provide any assistance we require to connect to the Technology. We will have the right at any time to retrieve data and other information from your Technology as we, in our sole discretion, deem necessary or desirable. You shall ensure that we have access at all times to any Technology we request, at your cost. You must provide us with any and all requested codes, passwords and information necessary to access your Technology. You must receive our prior approval before changing such codes, passwords and other necessary information. There are no contractual limitations on our right to access your Technology for information and data. Without limiting the generality of anything else contained herein, the rights and obligations of this Section 14.3 are subject to any applicable laws pertaining to the privacy of consumer, employee, and transactional information, including but, not limited to, HIPAA.

15. TRANSFER BY US

This Franchise Agreement is fully assignable by us (without prior notice to you) and shall inure to the benefit of any assignee(s) or other legal successor(s) to our interest in this Franchise Agreement and we shall only remain responsible and liable for the performance of our obligations under this Franchise Agreement up to the effective date of the assignment. You agree to accept and continue the performance of this Franchise Agreement with any assignee(s) or other legal successor(s) to our interest and recognize and agree that the assignee(s) or other legal successor(s) shall be entitled to all rights and benefits as if it were the original franchisor under this Franchise Agreement. We may also delegate some or all of our obligations under this Franchise Agreement to one or more designees without assigning this Franchise Agreement.

We may change our ownership or form and/or assign this Franchise Agreement and any other agreement to a third party without restriction. After our assignment of this Franchise Agreement to a third party who expressly assumes the obligations under this Franchise Agreement, we no longer will have any performance or other obligations under this Franchise Agreement.

16. TRANSFER BY YOU

16.1 Approval

For purposes of this Franchise Agreement, "Transfer" means any direct or indirect, voluntary or involuntary (including by judicial award, order or decree) assignment, sale, conveyance, subdivision, sublicense or other transfer or disposition of the Franchise Agreement, the Franchised Business (or any portion thereof), or a direct or indirect ownership interest in an Entity that is the franchisee (or any interest therein), including by merger or consolidation, by issuance of additional securities representing an ownership interest in the Entity that is the franchisee, or by operation of law, will or a trust upon the death of an Owner (including the laws of intestate succession). For the avoidance of doubt, a change of control includes any direct or indirect change in the ability to control or direct Franchisee, including through a change in the governance, trusteeship, or control of any trust or other entity that directly or indirectly owns an interest in Franchisee.

Neither you nor any Owner may engage in any Transfer without our prior written approval. Any Transfer without our approval shall be void and constitute a breach of this Franchise Agreement. Our consent to a Transfer shall not constitute a waiver of any claims we may have against you or the Owners, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms or conditions of the Franchise Agreement by the transferee.

16.2 Our Right of First Refusal

If you or an Owner desire to engage in a Transfer, you or the Owner, as applicable, must obtain a bona-fide, signed written offer from the fully disclosed purchaser and submit an exact copy of the offer to us. We will have 30 days after receipt of the offer to decide whether we will purchase the Franchised Business (our "Right of First Refusal"). If we notify you that we intend to purchase the Franchised Business within such 30-day period, you or the Owner, as applicable, must sell the Franchised Business to us on the same terms as contained in the offer you received; provided that we may substitute cash for any non-cash form of payment proposed in the offer.

We will have at least 30 additional days to conduct a due diligence review and to prepare for closing. You agree to provide us with all information and records we request about the Franchised Business, and we will have the absolute right to terminate the obligation to purchase the Franchised Business for any reason during the due diligence period. You and we will act in good faith to agree on the terms and conditions of the written offer, and closing will take place on the 61st day following our receipt of your offer. We will be entitled to receive from you or the Owner, as applicable, all customary representations and warranties given by you as the seller of the assets or the Owner as the seller of the ownership interest or, at our election, the representations and warranties contained in the offer. If we do not exercise our right of first refusal, you or the Owner, as applicable, may complete the Transfer to the purchaser pursuant to and on the terms of the offer, subject to the requirements of this Section (including our approval of the transferee). However, if the sale to the purchaser is not completed within 120 days after your receipt of the offer, or there is a material change in the terms of the sale, we will again have the Right of First Refusal specified in this Section. If there is any change to the terms of the sale after you submit the bona-fide, signed written offer, then you acknowledge and agree that our Right of First Refusal will restart and you must submit the new written offer to us and you further agree that the Transfer cannot be completed until you have done so.

Our Right of First Refusal is fully transferable by us to any affiliate or third party. We or our designee may exercise our Right of First Refusal even if we will be operating a different Model than you have operated.

16.3 Transfer Conditions

We will not unreasonably withhold our approval of any proposed Transfer; provided that the following conditions are all satisfied ("Transfer Conditions"):

16.3.1 Written Notice. You have provided us with written notice of the proposed Transfer at least 45 days before the transaction. You must also submit a copy of the proposed purchase agreement together with all supporting documents and schedules between you and the proposed transferee to us for our review to ensure that the Transfer does not violate any term of this Franchise Agreement.

16.3.2 Qualified Transferee. The proposed transferee is, in our opinion, an individual of good moral character with sufficient business experience, aptitude and financial resources to own and operate a Franchised Business and otherwise meets all of our then-applicable standards for franchisees and the purchase price and terms of the proposed transfer must not be so burdensome to the prospective transferee as to impair or threaten the future operation of the Franchised Business. If you operate a DCO Model, the proposed transferee must also be permitted to operate a DCO Model under applicable laws.

16.3.3 Monetary Obligations. All of your monetary obligations to us and our affiliates have been paid in full and you and the Owners are in full compliance with the terms of this Franchise Agreement and all other agreements with us or our affiliate(s).

16.3.4 Training. The transferee has (or if the transferee is an Entity, its approved Responsible Owner and any Franchise Manager have) successfully completed, or made arrangements to attend, the initial training program (and the transferee has paid us the training fee for each new person who must attend training). The transferee (or its Medical Professional if it is a new Medical Professional) must also successfully complete our required medical training, or receive a waiver from us for medical training requirements.

16.3.5 Licenses and Permits. The transferee and its owners and/or its Medical Professionals, to the extent necessary, have obtained all licenses and permits required by applicable law to own and operate the Franchised Business.

16.3.6 New Agreements. You must request that the transferee be provided with our then-current form of franchise disclosure document. You agree that we will not be liable for any representations that you or your Owners make that are inconsistent with such franchise disclosure document. The transferee and its owners sign our then-current form of franchise agreement and related documents, including, but not limited to, our then-current form of Franchise Owner Agreement or other guaranty (unless we, in our sole discretion, instruct you to assign this Franchise Agreement to the transferee), except that: (i) the Term and successor term(s) shall be the Term and successor term(s) remaining under this Franchise Agreement; and (ii) the transferee does not need to pay a separate initial franchise fee. The transferee must execute either (a) a new MSA with the Medical Professional (or an assignment of the existing MSA, if applicable), which MSA shall be subject to our prior approval, or (b) a Waiver of Management Agreement if the transferee and its counsel determine an MSA is not required.

16.3.7 Transfer Fee. You pay us a transfer fee of $10,000 per Clinic ("Transfer Fee"). You will pay the Transfer Fee to us as follows: (i) $1,000 non-refundable deposit at the time of your transfer

application request; and (ii) the remaining balance shall be due at or before the time you complete the approved Transfer.

16.3.8 General Release. You and each of your Owners sign a general release in the form we prescribe for all known and unknown claims against us, our affiliates and subsidiaries, and our and their respective members, officers, directors, agents and employees, arising before or contemporaneously with the Transfer. If the proposed transferee has any previous relationship with us or our affiliates, then the proposed transferee must also execute a general release.

16.3.9 Right of First Refusal. We do not elect to exercise our Right of First Refusal.

16.3.10 Subordination. We may, in our sole discretion, require you to enter into an agreement with us to subordinate the transferee's obligations to you to the transferee's financial obligations owed to us under the Franchise Agreement.

16.3.11 Broker Costs. You must pay any broker costs, commissions or other placement fees we incur as a result of the Transfer.

16.3.12 Franchised Business. Your landlord consents to your assignment of the lease for the Franchised Business, or Clinic, as the case may be, to the transferee, or the transferee is diligently pursuing an approved substitute location within the Territory.

16.3.13 Remodel. You must remodel your Franchised Business to comply with our then-current standards and specifications, or you obtain a written commitment from the transferee to do so.

16.3.14 Other Conditions. You and each of your Owners agree to comply with all obligations that survive the termination, expiration or Transfer of this Franchise Agreement. The transfer must be made in compliance with any laws that apply to the transfer including all laws governing the offer and sale of franchises. You or the transferring Owner, as applicable, and the transferee have satisfied any other conditions we reasonably require as a condition to our approval of the Transfer.

16.4 Transfer to an Entity

If you entered into this Franchise Agreement as one or more individual(s), you may transfer your ownership interests to an Entity provided that: (i) the Owner or Owners of the Entity are the same persons who signed this Franchise Agreement and (ii) you comply with the Transfer Conditions. Our Right of First Refusal will not apply for a Transfer conducted under this Section and you must reimburse us for all of our fees and costs, including attorney fees (in lieu of the Transfer Fee), associated with your Transfer to the Entity. In lieu of entering into a new Franchise Agreement, you will be required to enter into any required documentation, which may include an approval of transfer agreement, a general release of claims and a Franchise Owner Agreement in the forms we prescribe.

16.5 Death or Disability

Upon the death or disability of you (if you are an individual) or of an Owner (if you are an Entity), your interest in the Franchised Business or the Owner's ownership interest in you, as applicable, must be assigned to a third party or another Owner approved by us within 180 days of such person's death or disability. For purposes of this Section, a person is deemed to have a disability only if the person has a medical or mental illness, problem or incapacity that would prevent the person from substantially complying with his or her obligations under this Franchise Agreement or otherwise operating the Franchised Business in the manner required by this Franchise Agreement and the Franchise Operations Manual for a continuous period of at least 90 consecutive calendar days, and where recovery within 90 days

from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, the existence of disability will be determined by a licensed practicing physician selected by us, upon examination of the person; or if the person refuses to submit to an examination, then (for the purpose of this Section) the person automatically will be considered disabled as of the date of refusal. Your (or the deceased Owner's) estate or legal representative must apply to us for the right to Transfer to the next of kin within 120 calendar days after your or your Owner's death or disability. We may appoint an Interim Manager and charge you the Management Fee in the event the Franchised Business is negatively impacted by such death or disability of Owner.

17. INTELLECTUAL PROPERTY

17.1 Ownership and Use of Intellectual Property

For purposes of this Franchise Agreement, "Intellectual Property" means the Marks, our copyrighted materials, "Confidential Information" (defined below), the System and "Improvements" (defined below). You acknowledge that: (i) we, or our affiliates, if applicable, are the sole and exclusive owner of the Herway Intellectual Property and the goodwill associated with the Marks; (ii) your right to use the Intellectual Property is derived solely from this Franchise Agreement; and (iii) your right to use the Intellectual Property is limited to a license granted by us to operate your Franchised Business during the Term pursuant to, and only in compliance with, this Franchise Agreement, the Franchise Operations Manual, and all applicable standards, specifications and operating procedures we prescribe from time to time. You may not use any of the Intellectual Property in connection with the sale of any unauthorized product or service, or in any other manner not expressly authorized by us. Any unauthorized use of the Intellectual Property constitutes an infringement of our rights. You agree to comply with all provisions of the Franchise Operations Manual governing your use of the Intellectual Property. This Franchise Agreement does not confer to you any goodwill, title or interest in any of the Intellectual Property. You agree that during the Term of this Franchise Agreement and after its termination, expiration or Transfer you will not, directly or indirectly, contest our interest in the Intellectual Property.

For purposes of this Franchise Agreement, "Confidential Information" means all of our trade secrets and other proprietary information relating to the development, construction, marketing and/or operation of a Franchised Business (subject to compliance with HIPAA and other applicable law), including, but not limited to, client lists, methods, techniques, specifications, procedures, policies, marketing strategies and information comprising the System, the Franchise Operations Manual, written directives and all drawings, equipment, computer and point of sale programs (and output from such programs), knowledge of the operating results and financial performance of Clinic(s) and Franchised Business(es); and any other information, know how, techniques, material and data imparted or made available by us to you.

For purposes of this Franchise Agreement, "Improvements" means any improvements or additions to the System, marketing, method of operation, or the products or services offered by a Franchised Business.

If you operate an MSO Model, the terms of this Section 17 shall also apply to your Medical Professional to the extent permitted by applicable law, and you shall be responsible for ensuring your Medical Professional's compliance with the terms of this Section 17.

17.2 Changes to Intellectual Property

We, or our affiliate(s), if applicable, may modify the Intellectual Property at any time in our, or their, sole and absolute discretion, including by changing the Marks, the System, any applicable copyrights, or the Confidential Information. If we, or our affiliate(s), as the case may be, modify or discontinue use of any of the Intellectual Property, then you must comply with any such instructions from us within 30 days, at your expense. Neither we nor our affiliate(s), as the case may be, will be liable to you for any expenses,

losses or damages you incur (including the loss of any goodwill associated with a Mark) because of any addition, modification, substitution or discontinuation of the Intellectual Property.

17.3 Use of Marks

You agree to use the Marks as the sole identification of your Franchised Business; provided, however, you must identify yourself as the independent owner of your Franchised Business in the manner we prescribe. You may not use any Marks in any modified form or as part of any corporate name or with any prefix, suffix or other modifying words, terms, designs or symbols (other than logos licensed to you by this Franchise Agreement). You agree to: (i) prominently display the Marks on or in connection with any media advertising, promotional materials, posters and displays, receipts, stationery and forms that we designate and in the manner we prescribe to give notice of trade and service mark registrations and copyrights; and (ii) obtain any fictitious or assumed name registrations required under applicable law. You may not use the Marks in signing any contract, lease, mortgage, check, purchase agreement, negotiable instrument, or other legal obligation or in any manner that is likely to confuse or result in liability to us for any indebtedness or obligation of yours. You agree that any use of the Marks by you and your Franchised Business shall contribute and inure to our benefit.

Upon our request, you agree to display in a conspicuous location in your Franchised Business, a sign containing a notice stating that your Franchised Business is owned and operated independently by you.

17.4 Use of Confidential Information

You acknowledge that you will use the Confidential Information only in operating the Franchised Business, and you will not disclose Confidential Information to others, except as expressly authorized by this Franchise Agreement. You will take all actions to preserve the confidentiality of all Confidential Information, including safeguarding access to the Franchise Operations Manual. You will not copy or permit copying of Confidential Information. Your obligations under this Section begin when you sign this Franchise Agreement and continue for trade secrets as long as they remain secret, and, for other Confidential Information, for as long as we continue to use the information in confidence (even if edited or revised) plus an additional three years afterwards. We will respond promptly and in good faith to any inquiries you have about continued protection of any Confidential Information.

Subject to HIPAA and all other applicable laws, any data you collect, create, provide or otherwise develop (including, but not limited to, customer/patient lists) is (and will be) owned exclusively by us, and we will have the right to use such data in any manner that we deem appropriate without compensation to you. Copies and/or originals of such data must be provided to us upon our request. We license use of such data back to you, at no additional cost, solely for the Term of this Franchise Agreement and solely for your use in connection with the Franchised Business. You agree to provide us with the information we reasonably require regarding data and cybersecurity requirements. In addition to your indemnification obligations under Section 22.1, you agree to indemnify us for any loss of data, including, but not limited to, customer information resulting from a breach of such data caused, in whole or in part, by you. Notwithstanding the foregoing, you are responsible for complying with all applicable law related to your files.

The restrictions on the disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information: (i) made in confidence to a government official, either directly or indirectly, or to an attorney, solely for the purpose of reporting or investigating a suspected violation of law; (ii) made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; or (iii) made in cases of suit for retaliation based on the reporting of a suspected violation of law, disclosure of Confidential Information to an attorney, and for use of the Confidential Information in such court proceeding, so long as any document containing the Confidential Information is filed under seal and Confidential Information is not otherwise disclosed pursuant to a court order.

We do not make any representation or warranty that your use of the System and Confidential Information will not infringe on the patent, copyright or other proprietary rights of third parties. You agree that we will have no liability to you if the System and/or any Confidential Information is held not to be secret or confidential or in the event that any infringement of others' proprietary rights occurs because of your use of the System and Confidential Information.

17.5 Improvements

If you, or your Medical Professional, conceive of or develop any Improvements, you agree to promptly and fully disclose the Improvements to us without disclosing the Improvements to others. You must obtain our approval before using any such Improvements. Any Improvement we approve may be used by us and any third parties we authorize, without any obligation to pay you royalties or other fees. You must assign all rights to any such Improvement, including the right to grant sublicenses, to us or our designee, without charge. In return, we will authorize you to use any Improvements we or other franchisees develop that we authorize for general use with the operation of a Franchised Business. These obligations shall survive the termination, expiration or Transfer of this Franchise Agreement.

17.6 Notification of Intellectual Property Issues

You must notify us as soon as possible, but no later than three business days of any: (i) apparent infringement of any of the Intellectual Property; (ii) challenge to your use of any of the Intellectual Property; or (iii) claim by any person of any rights in any of the Intellectual Property. You may not communicate with any person other than us and our counsel in connection with any such infringement, challenge or claim. We will have sole discretion to take such action as we deem appropriate. We have the right to exclusively control any litigation, Patent and Trademark Office proceeding, or other proceeding arising out of any such infringement, challenge or claim. You agree to execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of our counsel, be necessary or advisable to protect and maintain our interest in any such litigation, Patent and Trademark Office proceeding, or other proceeding, or to otherwise protect and maintain our interest in the Intellectual Property.

18. BRAND COVENANTS

The covenants in this Section 18 shall be referred to as the "Brand Covenants."

18.1 Reason for Covenants

You acknowledge that the System is distinctive and has been developed by us and/or our affiliates at great effort, time and expense, and that the Intellectual Property and the training and assistance we provide would not be acquired except through implementation of this Franchise Agreement. You also acknowledge that competition by you, the Owners, or persons associated with you or the Owners (including family members) could jeopardize the entire System because you and the Owners have received an advantage through knowledge of our day-to-day operations and Confidential Information related to the System. Accordingly, you and the Owners agree to comply with the Brand Covenants described in this Section to protect the Intellectual Property and our System. If you operate an MSO Model, the terms of this Section 18 shall also apply to your Medical Professional to the extent permitted by applicable law, and you shall be responsible for ensuring your Medical Professional's compliance with the terms of this Section 18.

18.2 Unfair Competition During the Term

For purposes of this Franchise Agreement, "Competitive Business" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by the Franchised Business; or (ii) provides or offers to provide Healthcare Services or MSO Services or any other services the same as or similar to the type of services sold by the Franchised Business, but excludes a Franchised Business operating under a franchise agreement with us. A Competitive Business shall not include ownership of up to five percent (5%) of any publicly held company or mutual fund that owns, operates, has an interest in, or controls any business that otherwise would meet the definition of a Competitive Business.

You agree not to compete with us during the Term by engaging in any of the following activities ("Prohibited Activities"): (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in any Competitive Business; (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); or (iii) inducing any customer of ours (or of one of our affiliates' or franchisees') to transfer their business to you or to any other person that is not then a franchisee of ours.

18.3 Unfair Competition After the Term

For purposes of this Section, the "Restricted Period" means a period of one year after the termination, expiration or Transfer of this Franchise Agreement. For purposes of this Section, the "Restricted Territory" means the geographic area within: (i) a 10-mile radius of the Franchised Business; and (ii) a 10-mile radius from all other Herway businesses that are operating or under construction as of the date of the termination, expiration or Transfer of this Franchise Agreement.

During the Restricted Period, you agree that you will not engage in any Prohibited Activities within the Restricted Territory and that you will cause each of your Owners to not engage in any Prohibited Activities within the Restricted Territory. If you or any Owner engages in a Prohibited Activity within the Restricted Territory during the Restricted Period, then the Restricted Period applicable to you (and applicable to each non-compliant Owner under the Franchise Owner Agreement) will be extended by the period of time during which you or the non-compliant Owner, as applicable, engaged in the Prohibited Activity.

You further represent that enforcement of these covenants will not prevent you from earning a livelihood or engaging in a lawful business that does not conflict with our legitimate interests. You and we agree that these covenants will be interpreted and enforced to the fullest extent permitted by applicable law, including under any "rule of reason" or similar standard used to evaluate the enforceability of restrictive covenants.

18.4 Employees and Others

Any Franchise Manager and, if you are an Entity, any officer that does not own equity in you must sign our current System Protection Agreement. You must ensure that all of your employees, officers, directors, partners, members, independent contractors, and other persons associated with you or your Franchised Business (as well as any Medical Professionals) who may have access to our Confidential Information, and who are not required to sign a System Protection Agreement, sign the Confidentiality Agreement before having access to our Confidential Information. You must use your best efforts to ensure these individuals comply with the terms of the Confidentiality Agreements and System Protection Agreements, and you must immediately notify us of any breach that comes to your attention. You agree to reimburse us for all expenses we incur in enforcing a Confidentiality Agreement or System Protection Agreement, including reasonable attorney fees and court costs.

18.5 Covenants Reasonable

The parties agree that the Brand Covenants will be construed as independent of any other covenant or provision of this Franchise Agreement. It is the parties' intent that the provisions of this Section be judicially enforced to the fullest extent permissible under applicable law. If all or any portion of any Brand Covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, you agree to be bound by any lesser covenant subsumed within the terms of such Brand Covenant that imposes the maximum duty permitted by law, as if the resulting Brand Covenant were separately stated in and made a part of this Section. Accordingly, the parties agree that any reduction in scope or modification of any part of the non-competition provisions contained herein shall not render any other part unenforceable. You acknowledge and agree that: (i) the terms of this Franchise Agreement are reasonable both in time and in scope of geographic area; (ii) our use and enforcement of covenants similar to those described above with respect to other Herway franchisees benefits you and the Owners because it prevents others from unfairly competing with your Franchised Business; and (iii) you and the Owners have sufficient resources and business experience and opportunities to earn an adequate living while complying with the terms of this Franchise Agreement. You hereby waive any right to challenge the terms of the Brand Covenants as being overly broad, unreasonable or otherwise unenforceable.

We have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any Brand Covenant without your consent (before or after any dispute arises), effective when we give you written notice of this reduction and you agree to comply with any modifications to the Brand Covenants.

18.6 Breach of Covenants

You agree that failure to comply with the terms of Brand Covenants will cause substantial and irreparable damage to us and/or other Herway franchisees for which there is no adequate remedy at law. Therefore, you agree that any violation of the terms of this Section 18 will entitle us to injunctive relief. We may apply for such injunctive relief without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and the sole remedy of yours, in the event of the entry of such injunction will be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived hereby). Notwithstanding the foregoing, if a court requires the filing of a bond, the parties agree that the amount of the bond shall not exceed $1,000. None of the remedies available to us, at law or in equity, under this Franchise Agreement are mutually exclusive, and may be combined with others, including injunctive relief, specific performance, and recovery of monetary damages. Any claim, defense or cause of action you or an Owner may have against us, regardless of cause or origin, cannot be used as a defense against our enforcement of the Brand Covenants.

19. INSURANCE

Before your Franchised Business first opens for business, you will obtain the types and amounts of insurance specified in this Section. You will maintain all required insurance in force during the Term of this Franchise Agreement, and you will obtain and maintain any additional or substituted insurance coverage, limits or amounts as we may periodically require. Your compliance with these insurance provisions does not relieve you of any liability under any indemnity provisions of this Franchise Agreement.

Your Franchised Business must maintain: (a) professional liability (medical malpractice) insurance with limits of at least $1,000,000 per claim and $3,000,000 aggregate, including $1,000,000 in defense-cost coverage and $1,000,000 in sexual abuse and molestation coverage; (b) workers' compensation insurance providing statutory benefits together with employers' liability limits of $1,000,000 for each accident, $1,000,000 disease policy limit, and $1,000,000 disease for each employee; (c) cyber liability insurance with limits of at least $1,000,000; (d) commercial general liability insurance with limits of at least

$1,000,000 per occurrence and $2,000,000 aggregate; (e) property coverage for business personal property in an amount of at least $50,000; (f) business income coverage on an actual loss sustained basis; (g) umbrella liability coverage of at least $1,000,000; and (h) hired and non-owned automobile liability coverage of at least $1,000,000; and crime or employee theft coverage of at least $50,000. Employment practices liability insurance and directors and officers liability insurance are identified in the client materials as optional coverage, and not as required insurance. If your Franchised Business operates under the MSO Model, and unless otherwise required by applicable law, you will purchase the insurance described in subsections (b) through (h) above, and your Medical Professional will purchase the professional liability insurance identified in subsection (a) above. If your Franchised Business operates under the DCO Model, you will purchase all of the insurance described in subsections (a) through (h) above. Applicable law may require the Medical Professional and you to purchase additional insurance or a different mixture of the above insurance.

Professional liability insurance (including the Medical Professional's professional liability insurance) may be written on an "occurrence-basis" or "claims-made" basis. An "occurrence-basis" policy provides coverage for a loss arising from acts or omissions occurring during the policy period, even if the claim is made after the policy elapses. If such policy is written on a "claims-made" basis, you must purchase and maintain extended coverage (also known as "tail coverage") that will remain effective after the expiration or earlier termination of the insurance or the Franchise Agreement. Extended coverage may come with additional costs to you.

Our insurance requirements are subject to change at any time during the Term of this Franchise Agreement, and you agree to comply with each such change within 60 days of our notice to you of any such change. You agree to provide us a copy of your Certificate of Insurance or other proof of coverage before opening, within 10 days of any renewal of a policy, and at any other time on demand. You agree to obtain these insurance policies from insurance carriers rated "A" or better by A.M. Best & Company, Inc. and that are licensed and admitted in the state in which you operate your Franchised Business. All insurance policies (except for employment liability insurance policies) must be endorsed to: (i) name us, any affiliate we require, and our members, officers, directors and employees as additional insureds ("Additional Insureds"); (ii) contain a waiver by the insurance carrier of all subrogation rights against us; and (iii) provide that we receive 30-days' prior written notice of the termination, expiration, cancellation or modification of the policy. If any of your policies fail to meet these criteria, then we may disapprove the policy and you must immediately find additional coverage with an alternative carrier satisfactory to us.

If you fail to maintain any required insurance coverage, we have the right to obtain the coverage on your behalf (which right shall be at our option and in addition to our other rights and remedies in this Franchise Agreement), and you must promptly sign all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums we incur, plus a monthly administrative surcharge (currently $500 per month), which we may increase at any time and any amount after giving you no less than 10 days' prior written notice.

20. REPORTING REQUIREMENTS

20.1 Books and Records

You agree to record all transactions and Gross Revenue of your Franchised Business and the Clinic in the manner we specify. You agree to prepare and maintain for at least seven years after their preparation, complete and accurate books, records, accounts and tax returns pertaining to your Franchised Business and the Clinic including a list of all customers/patients that your Franchised Business does business with and all contracts that your Franchised Business enters into. You must send us copies of your books, records, customer data and contracts within five days of our request, subject to HIPAA and other applicable law. This obligation survives the expiration, termination or Transfer of this Franchise Agreement.

20.2 Reports

You will prepare and submit other reports and information about your operations as we may request in writing or as required by the Franchise Operations Manual. You will submit all required reports in the formats and by the due dates specified in the Franchise Operations Manual. We may modify the deadline days and times for submission of all reports. If you do not submit any report by the due date, we will debit your Franchise Account a late fee of $500 per occurrence and $100 per day until you submit the required report. We may require, in our sole discretion, that certain reports be certified as accurate and complete by you, your owners or your chief financial officer, and that they be submitted in certain methods or formats. If requested by us, your profit and loss statements and balance sheets must be certified by a certified public accountant at your expense. You must also make your certified public accountant available and cover the cost for him or her to consult with us concerning these statements and balance sheets.

20.3 Financial and Tax Statements

You will deliver a balance sheet, profit and loss statement, statement of cash flows and explanatory footnotes prepared under generally accepted accounting principles applied on a consistent basis ("Financial Statements") to us within the time period required by the Franchise Operations Manual. You must also prepare annual Financial Statements within 30 days of the end of your fiscal year. All Financial Statements must be in the form specified by us and must conform to our standard chart of accounts as prescribed by us. We have the right to use such Financial Statements in our franchise disclosure document to make financial performance representations and to share these reports on a system-wide intranet or other similar means.

You must also provide us with complete signed copies of all state sales tax returns and state and federal income tax returns covering the operation of the Franchised Business within 30 days of filing. If you do not submit the Financial Statements or tax returns to us by the deadline, you will be required to pay a late fee of $100 per occurrence and $100 per week until you submit required Financial Statements or tax returns.

20.4 Legal Compliance

You and/or your Medical Professional must secure and maintain in force all required licenses, permits and regulatory approvals for the operation of your Franchised Business. You must also operate and manage your Franchised Business in full compliance with all applicable laws, ordinances, rules and regulations, including, without limitation, HIPAA, government regulations relating to healthcare, occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You are solely responsible for complying with all federal, state and local tax laws. You also agree to timely pay all applicable federal, state and local taxes, and timely file all returns, notices and other forms required to comply with all federal, state and local tax laws in connection with the operation of the Franchised Business. It is your responsibility to make sure that you comply with all laws that are applicable to the Technology.

You must notify us in writing within three business days of the beginning of any action, suit, investigation or proceeding, or of the issuance of any order, writ, injunction, disciplinary action, award or decree of any court, agency or other governmental instrumentality, which may adversely affect the operation of your Franchised Business or your financial condition. You must comply with all state and local laws and regulations regarding the staffing and management of a Clinic. You must immediately deliver to us a copy of any inspection report, warning, certificate or rating by any governmental agency involving any health or safety law, rule or regulation that reflects a claim you have failed to fully comply with the law, rule or regulation.

You 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 certify, represent and warrant that none of your property or interests is subject to being blocked under, and that you and the 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, rules, 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 the Owners, or any blocking of your or the Owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Franchise Agreement.

21. INSPECTION AND AUDIT

21.1 Inspections

To ensure compliance with this Franchise Agreement, subject to applicable law, we or our representatives will have the right to enter your Clinic, evaluate your Franchised Business operations, and inspect or examine your books, records, accounts and tax returns. We may also interview personnel and customers of the Franchised Business. Our evaluation may include observing or participating during business hours. We may conduct our evaluation at any time and without prior notice. During the course of our inspections, we and our representatives will use reasonable efforts to minimize our interference with the operation of your Franchised Business, and you, your employees and independent contractors will cooperate and not interfere with our inspection. You consent to us accessing your Technology and retrieving any information we deem appropriate in conducting the inspection.

If any such inspection indicates any deficiency or unsatisfactory condition, including quality, cleanliness, service, health and authorized product line, we will notify you in writing of your noncompliance with the System, Franchise Operations Manual, or this Franchise Agreement and you shall promptly correct or repair such deficiency or unsatisfactory condition. In addition, if you fail any food safety inspection, cleanliness inspection or other inspection or audit that we or our designee, any public health and safety agency conducts, you will be required to undergo an additional inspection or audit at your sole expense. You agree to reimburse us or the third-party auditor directly upon invoicing. We may require you to take, and you agree to take, immediate corrective action, which action may include temporarily closing the Franchised Business.

21.2 Audit

We have the right, at any time, to have an independent audit made of the books and financial records of your Franchised Business. You agree to fully cooperate with us and any third parties we hire to conduct the audit. Any audit will be performed at our cost and expense. However, you agree to reimburse us for the cost of the audit and inspection, including reasonable accounting, legal, travel and lodging expenses if the audit: (i) is necessitated by your failure to provide the information requested or to preserve records, or file reports as required by this Franchise Agreement; or (ii) reveals an understatement of any amount due to us by at least two percent (2%) in any week, in which case you must also pay any amount owed to us, including any related expenses and Late Fees. The audit cost reimbursements will be due 10 days after invoicing. Accepting reimbursements for our audit costs does not waive our right to terminate this Franchise Agreement.

22. INDEMNITY

22.1 Your Indemnification of Us

Independent of your obligation to procure and maintain insurance, you and your Owners will indemnify, defend and hold us and our affiliates, the respective officers, directors, managers, partners, shareholders, members, employees, agents and contractors of these entities, and the successors, assigns, personal representatives, heirs and legatees of all of these persons or entities (collectively, the "Indemnified Parties") harmless, to the fullest extent permitted by law, from and against all expenses, losses, payments or obligations to make payments either (i) to or for third party claimants by any and all Indemnified Parties, including refunds, or (ii) incurred by any and all Indemnified Parties to investigate, take action, respond to or defend a matter, including investigation and trial charges, costs and expenses, fees, fees paid to professionals, attorney fees, experts' fees, court costs, settlement amounts, judgments and costs of collection (collectively, "Losses and Expenses"), incurred by any Indemnified Parties for any investigation, claim, action, suit, demand, administrative or alternative dispute resolution proceeding, actually or allegedly, directly or indirectly, relating to, arising out of, or resulting from or in connection with: any transaction, occurrence, product or service involving the Franchised Business, Clinic, or this Franchise Agreement; your employment or other contractual relationship with your Medical Professionals, your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees or your Medical Professionals; your and your Medical Professional's marketing, selling, or providing of items and services; and any breach of violation of any agreement (including this Franchise Agreement), or any law, regulation or ruling, by any act, error or omission (active or passive) of you, any party associated with you (including any Medical Professional), or any of your or your affiliates' owners, officers, directors, managers, employees, owners and agents, including when any of the Indemnified Parties is alleged or proven to be negligent.

You agree to give us notice of any action, suit, proceeding, claim, demand, inquiry or investigation described above. The Indemnified Parties shall have the right, in their sole discretion to: (i) retain counsel of their own choosing to represent them with respect to any claim; and (ii) control the response thereto and the defense thereof, including the right to enter into an agreement to settle such claim. You may participate in such defense at your own expense. You agree to give your full cooperation to the Indemnified Parties in assisting the Indemnified Parties with the defense of any such claim, and to reimburse the Indemnified Parties for all of their costs and expenses in defending any such claim, including court costs and reasonable attorney fees, within 10 days of the date of each invoice delivered by such Indemnified Party to you enumerating such costs, expenses and attorney fees. You agree that your indemnification obligations under this Section shall expressly survive the termination, expiration, non-renewal or Transfer of this Franchise Agreement.

22.2 Our Indemnification of You

Provided that you are not in default under this Franchise Agreement or any other agreement with us, we will indemnify you and hold you harmless for, from and against any and all costs and expenses incurred by you as a result of or in connection with any claim asserted against you based upon the violation of any third party's intellectual property rights caused by your use of our Marks in strict compliance with the terms of this Franchise Agreement and Franchise Operations Manual. You must promptly notify us of any such claim and fully cooperate with us in the defense of such claim.

23. TERMINATION BY YOU

You may terminate this Franchise Agreement if you are in full compliance and we breach this Franchise Agreement and fail to cure the breach within 60 days after you send us a written notice specifying

the nature of the breach. You may also terminate this Franchise Agreement if you and we mutually agree, in our sole discretion, which may be withheld, in writing to terminate this Franchise Agreement. In such an event, you and we will be deemed to have waived any required notice period. If you terminate this Franchise Agreement, you must still comply with your post-termination obligations described below and all other obligations that survive the expiration or termination of this Franchise Agreement.

24. TERMINATION BY US

The rights to terminate the Franchise Agreement in this Section shall be referred to as our "Termination Rights."

24.1 Immediate Termination Without Notice

You shall be in default under this Franchise Agreement, and we may immediately terminate all rights granted to you by this Franchise Agreement without notice if (i) you or your Medical Professionals file or cause to be filed a petition in bankruptcy or you (or your Medical Professionals) are adjudicated bankrupt or judicially determined to be insolvent (subject to any contrary provisions of any applicable state or federal laws); or (ii) you or your Medical Professional admit to your inability to meet your financial obligations as they become due, or make a disposition for the benefit of its creditors (unless prohibited by law); or (iii) a receiver or custodian (permanent or temporary) is appointed for any of your or your Medical Professional's assets or property; or (iv) a final judgment in excess of $10,000 against you (or your Medical Professionals) remains unsatisfied or of record for sixty (60) days or longer (unless a bond is filed or other steps are taken to effectively stay enforcement of such judgment), except that we may provide you (or your Medical Professionals) with additional time to satisfy the judgment if you demonstrate that you are using commercially reasonable efforts to resolve the issues related to the judgment.

24.2 Option to Terminate Without Opportunity to Cure

We may, in our sole discretion, terminate this Franchise Agreement immediately upon written notice to you, without opportunity to cure, upon the occurrence of any of the following events, each of which constitute material events of default under this Franchise Agreement.

24.2.1 Failure to Open. If you fail to open your Franchised Business or the Clinic within the time period required.

24.2.2 Material Misrepresentation. If you or any Owner commits any fraud or makes any material misrepresentation to us, whether occurring before or after the Effective Date.

24.2.3 Violation of Law/Unsafe Manner. If you fail to maintain any required licenses, permits or certifications to open or operate the Franchised Business, or fail to comply with any federal, state or local law or regulation or you operate the Franchised Business or Clinic in an unsafe manner, and you do not cure or commence to cure this failure within five (5) days after you receive notice, or if you or any of your employees fail to meet the state and local certifications or other requirements for operation and/or employment in an MSO Model, or the Medical Professional fails to meet state and local certifications or other requirements for the operation or employment of physicians and other professionals in a Clinic, and you fail to cure this default within ten (10) days after you receive notice, or, alternatively, you fail to prohibit any such employees from working in the Franchised Business or Clinic until the requirements are met.

24.2.4 Criminal Offense. If you or any of your Owners, officers, directors, or key employees (or your Medical Professionals) is convicted of or pleads guilty or nolo contendere to a felony or any other crime or offense that is reasonably likely, in our sole opinion, to adversely affect our reputation, the System, or the Marks. If the crime or offense is committed by an Owner other than a Responsible Owner, then we

may, in our sole discretion, terminate if such Owner fails to sell its ownership interest in the Entity to any of the other Owners within 30 days after the conviction or guilty plea, whichever first occurs.

24.2.5 Under-Reporting. If an audit or investigation discloses that you have knowingly maintained false books or records, or submitted false reports to us, or knowingly understated its Gross Revenue or withheld the reporting of same, or, if, on two or more occasions in any single 24 month period, any audits or other investigations reveals an under-reporting or under-recording error of two percent (2%) or more, or on any single occasion any audit or other investigation reveals an under-reporting or under-recording of five percent (5%) or more.

24.2.6 Intellectual Property Misuse. If you (or your Medical Professionals) misuse or make any unauthorized use of the Marks or otherwise impair the goodwill of our rights, or you (or your Medical Professionals) take any action which reflects unfavorably upon the operation and reputation of the Franchised Business, the System, or the "Herway" brand generally. If your employees or independent contractors engage in any of the same actions described above, unless you exercised your best efforts to prevent such disclosures or use.

24.2.7 Health or Safety Violations. If you (or your Medical Professionals) manage or operate your Franchised Business in a manner that presents a health or safety hazard to your customers, employees or the public.

24.2.8 Abandonment. If you (or your Medical Professionals) abandon or fail to operate your Franchised Business for three consecutive business days unless you had received our prior written authorization to do so.

24.2.9 Failure to Pay. If you fail to pay any amount owed to us or an affiliate of ours within 10 days after receipt of a demand for payment.

24.2.10 Unauthorized Transfer. If you attempt to sell, Transfer, encumber or otherwise dispose of any interest in you, this Franchise Agreement or the Franchised Business in violation of Section 16 of this Franchise Agreement.

24.2.11 Brand Covenants. If you or any of your Owners (or your Medical Professionals, subject to applicable law) violates any of the Brand Covenants.

24.2.12 License/Permits. If a regulatory authority suspends or revokes a license or permit held by you or an Owner that is required to operate the Franchised Business, even if you or the Owner still maintain appeal rights. Notwithstanding the foregoing, in the event a regulatory authority suspends or revokes the medical license or any other required license of your Medical Professional, you shall have 60 days to find a replacement Medical Professional for the Franchised Business.

24.2.13 Failure to Complete Initial Training. If you or any required attendee fails to attend and complete the initial training program within the time period prescribed in this Franchise Agreement.

24.2.14 Repeated Defaults. If you (or your Medical Professionals) commit a default of any obligation under this Franchise Agreement and have previously received two or more written notices of default from us within the preceding 12 months, regardless of whether any default is cured.

24.2.15 Cross Default. If we terminate any other agreement between you and us, or if any affiliate of ours terminates any agreement between you and the affiliate because of your default, except that

termination of any area development agreement for failure to meet the development schedule shall not be grounds for termination.

24.2.16 Franchise Owner Agreement Default. If any Owner, or the spouse of any Owner, breaches any provision of the Franchise Owner Agreement.

24.2.17 Franchised Business/Clinic Issues. If: (i) if you (or your Medical Professionals) fail to secure a fully executed lease within the time period required; or (ii) the Franchised Business's, the Clinic's or your (or your Medical Professionals') assets are seized, taken over or foreclosed by a government official in the exercise of its duties, or by a creditor or lienholder provided that a final judgment against you remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or (iii) a levy of execution of attachment has been made upon the license granted by this Franchise Agreement or upon any property used in the Franchised Business, and it is not discharged within five days of such levy or attachment; or (iv) you (or your Medical Professionals) permit a mechanics lien to be recorded against the Franchised Business or any equipment at the Franchised Business which is not released within 60 days, or if any person commences any action to foreclose on the Franchised Business or said equipment; or (v) a condemnation or transfer in lieu of condemnation has occurred; or (vi) if you (or your Medical Professionals) default under the lease for your Franchised Business and you do not cure the default within the cure period set forth by the landlord or your lease is otherwise terminated due to your default.

24.3 Termination with Notice and Opportunity to Cure

In addition to our Termination Rights, we may, in our sole discretion, terminate this Franchise Agreement upon 30 days' written notice if you or an Owner (or your Medical Professionals) fails to comply with any other provision of this Franchise Agreement (including failure to comply with any provision in the Franchise Operations Manual) or any other agreement with us, unless such default is cured, as determined by us in our sole discretion, within such 30-day notice period, each of which shall constitute an event of default under this Franchise Agreement. If we deliver a notice of default to you pursuant to this Section, we may suspend performance of any of our obligations under this Franchise Agreement until you fully cure the breach.

We may also terminate if our counsel advises our business model or fee structure is unlawful in your state and either you and we fail to agree on changes to business model or fee structure to make it lawful or the required changes would result in fundamental changes to this Franchise Agreement. This would be deemed a "no fault" termination.

25. POST TERM OBLIGATIONS

The obligations contained in this Section 25 shall be referred to as your "Post Term Obligations." After the termination, expiration or Transfer of this Franchise Agreement, you agree to undertake each and every one of the obligations listed in this Section. You are responsible for making sure your Medical Professionals also comply with these Post Term Obligations.

25.1 Cease Operations

Immediately cease to operate the Franchised Business under this Franchise Agreement and the System. You agree to not hold yourself out to the public as a present or former franchise owner of the Franchised Business.

25.2 Intellectual Property

Immediately cease to use the Intellectual Property in any manner whatsoever, and not use any trademarks or trade names that may be confusingly similar to the Intellectual Property. You acknowledge and agree that any continued use of the Marks would constitute trademark infringement.

25.3 Monetary Obligations

Pay us all amounts you owe us and our affiliates.

25.4 Surviving Covenants

Comply with all covenants described in this Section and otherwise in this Franchise Agreement that apply after the expiration, termination or Transfer of this Franchise Agreement or of an ownership interest by an Owner.

25.5 Branded Items

Return all copies of the Franchise Operations Manual, or any portions thereof, as well as all signs, sign faces, brochures, advertising and promotional materials, forms and any other materials bearing or containing any of the Marks, our copyrights or other identification relating to a Franchised Business, unless we allow you to Transfer such items to an approved transferee.

25.6 Technology and Data

Return all copies of any software we license to you (and delete all such software from your computer memory and storage), subject to HIPAA and other applicable privacy laws, provide us the then-current contracts that your Franchised Business has entered into and transfer all login information and data from any Technology, social media accounts and email addresses from your Franchised Business.

25.7 Entity Name

Ensure that any names or registrations related to your use of the Marks are canceled.

25.8 Identifiers and Advertisements

Immediately stop using all telephone numbers, advertisements, domain names and social media accounts associated with the Franchised Business. Notify all telephone companies, listing agencies, social media companies and domain name registration companies (collectively, the "Agencies") of the termination or expiration of your right to use the following, and immediately transfer to us: (A) the telephone numbers, accounts and/or domain names, if applicable, related to the operation of your Franchised Business; and (B) any online listings associated with the Marks (you hereby authorize the Agencies to transfer such telephone numbers, domain names and listings to us and you authorize us, and appoint us and any officer we designate as your attorney-in-fact to direct the Agencies to transfer the telephone numbers, domain names and listings to us if you fail or refuse to do so).

25.9 Modifications

Remove all trade dress, equipment, software and property owned by us and make such modifications and alterations to the Franchised Business that are necessary or that we require to prevent any association between us or the System and any business subsequently operated by you or any third party using any of the inventory, vehicles, or equipment used in the operation of the Franchised Business; provided, however,

that this subsection shall not apply if your Franchised Business is transferred to an approved transferee or if we exercise our right to purchase your entire Franchised Business. If you fail to do so, you must pay us any expenses we incur to de-identify your Franchised Business.

25.10 Customers

We may contact customers of your Franchised Business and offer such customers continued rights to use one or more Herway franchises on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising or relating to those customers or act or failure to act by you or your Franchised Business.

25.11 Compliance Evidence

Provide us with written satisfactory evidence of your compliance with the above obligations within 30 days after the effective date of the termination, expiration or Transfer of this Franchise Agreement.

26. RIGHT TO PURCHASE

26.1 Generally

Upon the expiration or termination of this Franchise Agreement for any reason, we will have the right but not the obligation to purchase from you some or all of the assets used in the Franchised Business ("Acquired Assets"). We may exercise our option to begin this process by giving written notice to you at any time following expiration or termination up until 30 days after the later of: (a) the effective date of expiration or termination; or (b) the date you cease operating the Franchised Business (the "Specified Date"). We have the right to inspect the assets used in the Franchised Business in order to determine which we wish to acquire and any refusal by you to cooperate with our right to inspect will extend the Specified Date by an equal period. The term "Acquired Assets" means, without limitation, equipment, furnishings, fixtures, signs and inventory (non-perishable products, materials and supplies) used in the Franchised Business, all licenses necessary to operate the Franchised Business (if transferable) and the real estate fee simple or the lease or sublease for the Franchised Business. Subject to applicable law, customer information and Customer Lists are owned by us and accordingly are not included within the definition of "Acquired Assets" and must be returned to us without charge upon expiration or termination. You may not sell the information or lists to a third party. We will be entitled to have the provisions in this Section enforced by a court of competent jurisdiction should you fail to meet your obligations. We will have the unrestricted right to assign this option to purchase the Acquired Assets. We or our assignee will be entitled to all customary representations and warranties, including that the Acquired Assets are free and clear (or, if not, accurate and complete disclosure) as to: (1) ownership, condition and title; (2) liens and encumbrances; (3) environmental and hazardous substances; and (4) validity of contracts and liabilities inuring to us or affecting the Acquired Assets, whether contingent or otherwise.

26.2 Purchase Price

The purchase price for the Acquired Assets ("Purchase Price") will be their fair market value (or, for leased assets, the fair market value of the lease), determined as of the Specified Date in a manner that accounts for reasonable depreciation and condition of the Acquired Assets; provided, however, that the Purchase Price will take into account the termination of this Franchise Agreement. The Purchase Price for the Acquired Assets will not factor in the value of any trademark, service mark, or other commercial symbol used in connection with the operation of the Franchised Business, nor any goodwill or "going concern" value for the Franchised Business. We may exclude from the Acquired Assets purchased in accordance with this Section any equipment, furnishings, fixtures, signs, and inventory that are not accepted as meeting

then-current standards for a Franchised Business or for which you cannot deliver a Bill of Sale in a form satisfactory to us.

If you and we cannot agree upon a fair market value, we shall appoint an independent, third-party appraiser with experience appraising businesses comparable to your Franchised Business in the United States ("Qualified Appraiser") within 30 days after the Specified Date. We shall pay 50% of the cost of this Qualified Appraiser, and you shall pay the other 50% of the cost.

The Qualified Appraiser shall appraise the Acquired Assets as described above ("Appraised Value"). If you agree with the Appraised Value, the Appraised Value shall be the Purchase Price. If you disagree with the Appraised Value, upon written notice to us, you may hire an additional Qualified Appraiser at your expense. In such situation, the Qualified Appraiser chosen by you shall appraise the Acquired Assets at fair market value determined as described above. The average of the two values provided by the Qualified Appraisers shall be the Purchase Price.

26.3 Access to Franchised Business

The Qualified Appraiser will be given full access to the Franchised Business and your books and records during customary business hours to conduct the appraisal and will value the leasehold improvements, equipment, furnishings, fixtures, signs and inventory in accordance with the standards of this Section.

26.4 Exercise of Option; Operation

Within 10 days after the Purchase Price has been determined, we may fully exercise our option to purchase the Acquired Assets by notifying you of our decision in writing ("Purchase Notice"). The Purchase Price will be paid in cash or cash equivalents at the closing of the purchase ("Closing"), which will take place no later than 60 days after the date of the Purchase Notice. From the date of the Purchase Notice until Closing, you will operate the Franchised Business and maintain the Acquired Assets in the usual and ordinary course of business and maintain in full force all insurance policies required under this Franchise Agreement. During such time, we may exercise Step-in Rights, and be entitled to the Management Fee. Alternatively, we may require you to close the Franchised Business during that time period without removing any Acquired Assets from the Franchised Business.

26.5 Due Diligence

For a period of 30 days after the date of the Purchase Notice ("Due Diligence Period"), we will have the right to conduct such investigations as we deem necessary and appropriate. You will grant us and our representatives access to the Franchised Business and the Clinic at all reasonable times for the purpose of conducting inspections of the Acquired Assets; provided that such access does not unreasonably interfere with your operations of the Franchised Business.

Prior to the end of the Due Diligence Period, we will notify you in writing of any objections that we have to any finding disclosed in any title to lien search, survey, environmental assessment or inspection. If you cannot or elect not to correct any such title defect, environmental objection or defect in the working condition of the Acquired Assets, we will have the option to either accept the condition of the Acquired Assets as they exist or rescind our option to purchase on or before the Closing.

26.6 Closing

We will have the right to set off against and reduce the Purchase Price by any and all amounts owed by you to us or our affiliates, and the amount of any encumbrances or liens against the Acquired Assets or any obligations assumed by us. If you cannot deliver clear title to all of the purchased Acquired Assets as

indicated in this Section, or if there are other unresolved issues, the Closing will be accomplished through an escrow which you and we shall each be responsible for paying half the cost of.

27. DISPUTE RESOLUTION

27.1 Mediation Requirement

Except for any "Litigation Exceptions" as defined below, without limiting our Termination Rights, all claims or disputes between you and us or our affiliates arising out of, or in any way relating to, this Franchise Agreement, or any of the parties' respective rights and obligations arising out of this Franchise Agreement, shall be submitted first to non-binding mediation ("Required Mediation") prior to a hearing in binding arbitration. Before commencing any mediation against us or our affiliates with respect to any such claim or dispute, you must submit a notice to us, which specifies, in detail, the precise nature and grounds of such claim or dispute. Such mediation shall take place in the city closest to our principal place of business (currently Carlsbad, California) under the auspices of the American Arbitration Association ("AAA"), or other mediation service acceptable to us in our sole discretion, in accordance with AAA's Commercial Mediation Procedures then in effect. You may not commence any action against us or our affiliates with respect to any such claim unless mediation proceedings have been terminated either: (i) as the result of a written declaration of the mediator(s) that further mediation efforts are not worthwhile; or (ii) as a result of a written declaration by us. The parties shall each bear their own costs of mediation and shall share equally the filing fee imposed by AAA and the mediator's fees. We reserve the right to specifically enforce our right to mediation.

27.2 Arbitration

If the parties cannot fully resolve and settle a dispute through Required Mediation, all unresolved issues involved in the dispute shall be, at the request of either party, submitted to final and binding arbitration to be conducted in the city closest to our principal place of business (currently Carlsbad, California) by AAA (if AAA or any successor thereto is no longer available for arbitration in such city, you and we will agree on another arbitration organization to conduct the arbitration proceeding), in accordance with AAA's Commercial Arbitration Rules and otherwise as set forth below on an individual basis (not a class action) ("Required Arbitration").

In any arbitration proceeding, each party will submit or file any claim that would constitute a compulsory counterclaim as defined by the Federal Rules of Civil Procedure within the same proceeding as the claim it relates to. Any claim that is not submitted or filed as required is forever barred. Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

27.2.1 Notice of Arbitration. Either party may initiate an arbitration proceeding by making a written demand to the other party, and both parties will then be obligated to engage in arbitration. The demand for arbitration must be served on the other party within the period provided by the applicable statute of limitations, and must contain a statement setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. A demand for arbitration will not operate to stay, postpone or rescind the effectiveness of any termination of this Franchise Agreement. Arbitration will not proceed until any protest of arbitrability is resolved by the arbitrator or by an appropriate court, if necessary.

27.2.2 Selection of Arbitrator. Arbitration will be conducted before a single, neutral arbitrator who is familiar with legal disputes of the type at issue and who has franchise business or contract experience. The parties will mutually agree on the selection of the arbitrator; however, if the parties have

not agreed on the selection of an arbitrator within 30 days after the arbitration demand, either party may request AAA or successor organization, to appoint a qualified arbitrator.

27.2.3 Discovery. All discovery must be completed within 60 days following appointment of an arbitrator, unless otherwise agreed by the parties. Depositions will be limited to a maximum of five per party and will be held within 30 days after making a request. Additional depositions may be scheduled only with the permission of the arbitrator and for good cause shown. Each deposition will be limited to a maximum of six hours duration. Should a dispute arise over the extent of or propriety of any discovery request, the arbitrator will make a final determination after hearing each party's position.

27.2.4 Statement of Case. At least five days before the scheduled hearing, each party must deliver to the arbitrator and to the other party a written summary of its position on the issues in dispute.

27.2.5 Arbitrator's Decision. The arbitrator will issue a written decision within 10 days after conclusion of the hearing, explaining the basis for the decision. Judgment upon the decision rendered by the arbitrator may be entered in any court having jurisdiction. This decision will be binding upon both parties. The arbitrator will have authority to assess actual damages sustained by reason of any breach or wrongful termination of this Franchise Agreement, including monetary damages and interest on unpaid amounts from date due, specific performance, injunctive and declaratory relief, and legal fees and costs, but will not have any authority to amend or modify the terms of this Franchise Agreement or to assess exemplary or punitive damages. Except for claims excluded from mediation and arbitration herein, the arbitrator, and not any federal, state, or local court or agency, shall have exclusive authority to resolve any dispute relating to the interpretation, applicability, enforceability or formation of this Franchise Agreement including, but not limited to any claim that all or any part of this Franchise Agreement is void or voidable.

27.2.6 Time Schedule. Any award will be made within nine months of the filing of the notice of intention to arbitrate and the arbitrator will agree to comply with this schedule before accepting appointment. The parties will use due diligence to meet the foregoing time schedule, and the arbitrator will have the right to impose appropriate sanctions against any party who fails to comply with the agreed-upon time schedule. The arbitrator will use his best efforts to comply with the foregoing time schedule, but may unilaterally modify it if, in his opinion, modification is necessary for a proper and just resolution of the dispute. The parties may jointly modify the agreed-upon time schedule, subject to the arbitrator's approval.

27.2.7 Arbitration Expenses. The fees of, and authorized costs incurred by, the arbitrator will be shared equally by the parties, and each party will bear all of its own costs of arbitration; provided, however, that the arbitration decision will provide that the substantially prevailing party will recover from the other party its actual costs and expenses (including arbitrator's fees and expenses, and attorney fees and expenses) incurred in connection with the dispute.

27.3 Litigation Exceptions

If any of the following exceptions occur, either party may immediately file a lawsuit in accordance with this Section without going through the Required Mediation or Required Arbitration (for purposes of this Franchise Agreement, the following shall be referred to as the "Litigation Exceptions"): (i) any action that involves an alleged breach of any Brand Covenant; (ii) any action petitioning specific performance to enforce your use of the Marks or the System or to prevent unauthorized duplication of the Marks or the System; (iii) any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, or other relief in the nature of equity, including an action to enjoin an alleged violation or harm (or imminent risk of violation or harm) to any of our rights in the Intellectual Property, our copyrighted works, Marks, the System, or in any of our specialized training, trade secrets, or other Confidential Information, brought at any time, including prior to or during any pending mediation or

arbitration proceedings; (iv) any action seeking compliance with the Post Term Obligations; or (v) any action in ejectment or for possession of any interest in real or personal property.

27.4 Venue

All disputes and claims must be mediated, arbitrated and, if applicable, litigated in the principal city (and, if applicable, court) closest to our principal place of business (currently Carlsbad, California); provided that for claims brought under the Litigation Exceptions, we have the option to bring suit against you in any state or federal court within the jurisdiction where your Franchised Business is or was located, or where any of your owners live. The parties consent to the exercise of personal jurisdiction over them by these courts, and to the propriety of venue in these courts for the purpose of this Franchise Agreement, and the parties waive any objections that they would otherwise have in this regard. Each of the parties specifically waives any defense of inconvenient forum, and waives any bond, surety, or other security that might be required of any other party with respect to venue.

27.5 Fees and Costs

If you breach any term of this Franchise Agreement or any other agreement with us or an affiliate of ours, you agree to reimburse us for all reasonable attorneys' fees and other expenses we incur relating to such breach, regardless of whether the breach is cured prior to the commencement of any dispute resolution proceedings.

If we or you must enforce this Franchise Agreement in an arbitration or judicial proceeding, the substantially prevailing party will be entitled to reimbursement of its costs and expenses, including reasonable fees for accountants, attorneys, and expert witnesses, costs of investigations and proof of facts, court costs, travel and living expenses, and other dispute-related expenses.

If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has substantially prevailed over the other party using reasonable business judgment. We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding for such arbitration proceeding to take place, and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with this Section. If either party commences any legal action or proceeding in any court in contravention of the terms of this Section, that party shall pay all costs and expenses that the other party incurs in the action or proceeding, including, without limitation, costs and attorneys' fees as described in this Section.

27.6 Jury Trial and Class Action Waiver

WE AND YOU IRREVOCABLY WAIVE: (I) TRIAL BY JURY IN ANY PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT; AND (II) THE RIGHT TO ARBITRATE OR LITIGATE ON A CLASS ACTION BASIS IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THE PARTIES.

27.7 Limitation of Actions and Waiver of Punitive Damages

We and you agree that any legal action of any kind by a party arising out of or relating to this Franchise Agreement or a default of this Franchise Agreement must be commenced within one (1) year from the occurrence of the facts giving rise to any such claim or action or such claim or action will be barred provided, however, that the foregoing limitation shall not apply where required by applicable law, to the parties indemnification obligations under this Franchise Agreement or to the Litigation Exceptions. You and we, for yourselves, ourselves and on behalf of the Owners respectively, hereby waive to the fullest extent permitted by applicable law, any right to, or claim for, punitive, consequential or exemplary damages

against the other, and agree that except to the extent provided to the contrary in this Franchise Agreement, in the event of a dispute you and we shall each be limited to recovering only the actual damages proven to be sustained any legal action of any kind.

27.8 Confidentiality

Except as required by applicable law, including the required disclosure in our franchise disclosure document, the entire mediation, arbitration or litigation proceedings and related documents are confidential. Except as necessary to enforce the decision of the arbitrator hereunder, all conduct, statements, promises, offers, views and opinions, whether oral or written, made in the course of the arbitration by any of the parties, their agents, employees or representatives and by the arbitrator, are confidential. These matters will not be discoverable or admissible for any purposes, including impeachment, in any litigation or other proceeding involving the parties, and will not be disclosed to anyone who is not an agent, employee, expert witness, or representative for any of the parties; however, evidence otherwise discoverable or admissible is not excluded from discovery or admission as a result of its use in the arbitration.

27.9 Acknowledgment

The parties acknowledge that nothing herein shall delay or otherwise limit our Termination Rights. A notice or request for arbitration or mediation will have no effect on the status of any demand for performance or notice of termination under this Franchise Agreement.

27.10 Survival

We and you agree that the provisions of this Section shall continue to apply following the termination, expiration, Transfer or non-renewal of this Franchise Agreement. You agree to fully perform all obligations under this Franchise Agreement during the entire mediation, arbitration or litigation process.

28. SECURITY INTEREST

You grant to us a security interest ("Security Interest") in all of the furniture, fixtures, equipment, signage and real estate (including your interests under all real property and personal property leases and all improvements to real estate) of the Franchised Business, together with all similar property now owned or hereafter acquired, including additions, substitutions, replacements, proceeds and products thereof, wherever located, used in connection with the Franchised Business.

You are prohibited from granting a security interest in the Franchised Business or in any of your assets without our prior written consent, which shall not be unreasonably withheld. We may take a subordinate position in the security interest if a Small Business Administration-participating or third-party lender requires a first or senior lien, and the appropriate subordination documentation is executed by all parties. This security interest shall be security for any and all Royalties, damages, expenses or other sums owed to us hereunder and for any other amounts you owe to us. You agree to execute any documents, including but not limited to, a UCC-1 (or replacements or extensions for the UCC-1) that we reasonably believe to be necessary to perfect said security interest prior to the opening of the Franchised Business, and hereby appoint us as its attorney-in-fact for the purpose of executing such documents should you fail to do so. Except with respect to your sales of inventory in the ordinary course of business, you shall not sell, transfer, lease, sublease, assign, remove, waste, destroy, encumber or relocate any of the property described herein as subject to our security interest. Further, you shall take no other action which interferes with our security interest in said property, unless and until we release our security interest in the same.

29. GENERAL PROVISIONS

29.1 Governing Law

Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Franchise Agreement and the franchise relationship shall be governed by the laws of the state where the Franchisee's Clinic is located (without reference to its principles of conflicts of law), but any law of those States that regulate the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

29.2 Relationship of the Parties

You understand that you are an independent contractor and are not authorized to make any contract, agreement, warranty or representation or create any obligation on our behalf under this Franchise Agreement. You understand and agree that nothing in this Franchise Agreement creates a fiduciary relationship between you and us or is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. During the Term, you must conspicuously identify yourself at your base of operations, and in all dealings with third parties, as a franchisee of ours and the independent owner of your Franchised Business. You agree to place such other notices of independent ownership on such forms, stationery, advertising, business cards and other materials as we may require from time to time. Neither we nor you are permitted to make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other, or represent that our relationship is other than franchisor and franchisee. In addition, neither we nor you will be obligated by or have any liability under any agreements or representations made by the other that are not expressly authorized by this Franchise Agreement. You further agree that fulfillment of any and all of our obligations written in the Franchise Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

29.3 Severability and Substitution

Each section, subsection, term and provision of this Franchise Agreement, and any portion thereof, is considered severable. If any applicable and binding law imposes mandatory, non-waivable terms or conditions that conflict with a provision of this Franchise Agreement, the terms or conditions required by such law shall govern to the extent of the inconsistency and supersede the conflicting provision of this Franchise Agreement. If a court concludes that any promise or covenant in this Franchise Agreement is unreasonable and unenforceable, including without limitation, the Brand Covenants: (i) the court may modify such promise or covenant to the minimum extent necessary to make such promise or covenant enforceable; or (ii) we may unilaterally modify such promise or covenant to make such promise or covenant enforceable and consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate your obligations under the Franchise Agreement to the fullest extent permitted by law), and you agree to be bound by the modified provisions.

29.4 Waivers

We and you may, by written instrument, unilaterally waive or reduce any obligation of or restriction upon the other. Any waiver granted by us shall apply only to the specifically waived provisions and shall not affect any other rights we may have. We and you shall not be deemed to have waived or impaired any right, power or option reserved by this Franchise Agreement (including the right to demand exact compliance with every term, condition and covenant in this Franchise Agreement, or to declare any breach of this Franchise Agreement to be a default, and to terminate the Franchise Agreement before the expiration of its Term) by virtue of: (i) any custom or practice of the parties that varies with the terms of this Franchise Agreement; (ii) any failure, refusal or neglect of us or you to exercise any right under this Franchise

Agreement or to insist upon exact compliance by the other with its obligations under this Franchise Agreement, including any mandatory specification, standard or operating procedure; (iii) any waiver, forbearance, delay, failure or omission by us to exercise any right, power or option, whether of the same, similar or different nature, relating to other Herway franchisees; or (iv) the acceptance by us of any payments due from you after breach of this Franchise Agreement.

29.5 Approvals

Whenever this Franchise Agreement requires our approval, you must make a timely written request for approval, and the approval must be in writing in order to bind us. Except as otherwise expressly provided in this Franchise Agreement, if we fail to approve any request for approval within the required period of time, we shall be deemed to have denied your request. If we deny approval and you seek legal redress for the denial, the only relief to which you may be entitled is to acquire our approval. Except where this Franchise Agreement states that we may not unreasonably withhold our approval or consent, we may withhold such approval or consent, in our sole discretion. You are not entitled to any other relief or damages for our denial of approval.

29.6 Force Majeure

No party shall be liable for any loss or damage that arises directly or indirectly through or as a result of any failure or delay in the fulfilment of its obligations in whole or in part (other than the payment of money as may be owed by a party) under this Franchise Agreement where the delay or failure is due to "Force Majeure." In the event of Force Majeure, the parties shall be relieved of their respective obligations only to the extent each party, respectively, is prevented or delayed in performing its obligations during the period of Force Majeure. As used in this Franchise Agreement, the term "Force Majeure" shall mean any act of God, strike, lock-out or other industrial disturbance, war (declared or undeclared), riot, epidemic, fire or other catastrophe, act of any government and any other similar cause which is beyond the party's control and cannot be overcome by use of normal commercial measures. The party whose performance is affected by an event of Force Majeure shall give prompt notice of such event to the other party, which in no case shall be more than 48 hours after the event, and provide them with the information regarding the nature of the event and its estimated duration. The affected party will provide the other party with periodic reports regarding the status and progress of the Force Majeure event. Each party must use its best efforts to mitigate the effect of the event of Force Majeure upon its performance of the Agreement and to fulfill its obligations under the Franchise Agreement.

Upon completion of a Force Majeure event, the party affected must as soon as reasonably practicable recommence the performance of its obligations under this Franchise Agreement. Any delay resulting from an event of Force Majeure will extend performance accordingly or excuse performance (other than payment of money), in whole or in part, only to the extent reasonable under the circumstances. However, in the event the Force Majeure continues for a period of six months or more, then the unaffected party may, at its option, terminate this Franchise Agreement by thirty (30) days' prior written notice to the party asserting such Force Majeure. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under the Franchise Agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Franchise Agreement during or after the Force Majeure event.

29.7 Delegation

We have the right in our sole and absolute discretion to delegate to third party designees, whether these designees are our agents or independent contractors with whom we have contracted the performance of any portion or all of our obligations under this Franchise Agreement, and any right that we have under

this Franchise Agreement. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Franchise Agreement.

29.8 Binding Effect

This Franchise Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Agreement is binding upon the parties to this Franchise Agreement and their respective executors, administrators, heirs, assigns and successors in interest. Nothing in this Franchise Agreement is intended, nor shall be deemed, to confer any rights or remedies upon any person or legal entity not a party to this Franchise Agreement; provided, however, that the Additional Insureds and the Indemnified Parties are intended third party beneficiaries under this Franchise Agreement with respect to indemnification obligations of the franchisee.

29.9 Integration

This Franchise Agreement constitutes the entire agreement between the parties and may not be changed except by a written document signed by both parties. Any email correspondence or other form of informal electronic communication shall not be deemed to modify this Franchise Agreement unless such communication is signed by both parties and specifically states that it is intended to modify this Franchise Agreement. The attachment(s) are part of this Franchise Agreement, which, together with any amendments or addenda executed on or after the Effective Date, constitutes the entire understanding and agreement of the parties, and there are no other oral or written understandings or agreements between us and you about the subject matter of this Franchise Agreement. No provision herein expressly identifying any term or breach of this Franchise Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material. As referenced above, all mandatory provisions of the Franchise Operations Manual are part of this Franchise Agreement; however, notwithstanding the foregoing, we may modify the Franchise Operations Manual at any time.

Any representations made before entering into this Franchise Agreement are not enforceable unless they are specifically contained in this Franchise Agreement. This provision is intended to define the nature and extent of the parties' mutual contractual intent, and serves to show that there is no intention to enter into contract relations other than the terms contained in this Franchise Agreement. The parties acknowledge that these limitations are intended to achieve the highest possible degree of certainty in the definition of the contract being formed, in recognition of the fact that uncertainty creates economic risks for both parties which, if not addressed as provided in this Franchise Agreement, would affect the economic terms of this bargain. Nothing in this Franchise Agreement is intended to disclaim any of the representations we made in the franchise disclosure document.

29.10 Covenant of Good Faith

If applicable law implies a covenant of good faith and fair dealing in this Franchise Agreement, the parties agree that the covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Franchise Agreement. Additionally, if applicable law shall imply the covenant, you agree that: (i) this Franchise Agreement (and the relationship of the parties that is inherent in this Franchise Agreement) grants us the discretion to make decisions, take actions and/or refrain from taking actions not inconsistent with our explicit rights and obligations under this Franchise Agreement that may favorably or adversely affect your interests; (ii) we will use our judgment in exercising that discretion based on our general assessment of our own interests and balancing those interests against the general interests of our franchisees (including ourselves and our affiliates if applicable), and not based on your or any other franchisee's specific individual interests; (iii) we will have no liability to you for the exercise of our discretion in this manner, so long as the discretion is not exercised in bad faith; and (iv) in the absence

of bad faith, no trier of fact in any arbitration or litigation shall substitute its judgment for our judgment so exercised.

29.11 Cumulative Rights

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

29.12 Survival

All provisions that expressly or by their nature survive the termination, expiration or Transfer of this Franchise Agreement (or the Transfer of an ownership interest in the Franchised Business) will continue in full force and effect, even after the termination, expiration or Transfer of the Franchise Agreement, until they are fully satisfied or expire by their own terms.

29.13 Construction

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

29.14 Time is of the Essence

Time is of the essence in this Franchise Agreement and every term thereof.

29.15 Notice

All notices given under this Franchise Agreement must be in writing and shall be considered given at the time delivered by hand, or one business day after sending by email or comparable electronic system, one business day after delivery by a reputable overnight delivery service, or one business day after delivery confirmation by certified mail addressed to: (a) to us at 2035 Corte Del Nogal Suite 160, Carlsbad, California 92011, unless written notice is given of a change of address; and (b) to you at the address set forth on Attachment A of this Franchise Agreement, unless written notice is given of a change of address.

(Signature Page Follows)

The parties to this Franchise Agreement have executed this Franchise Agreement effective as of the Effective Date set forth in Attachment A.

FRANCHISOR:

HERWAY HEALTH FRANCHISE, LLC,
a California limited liability company

Sign:
Printed Name: [Franchisor Signatory]
Title: [Franchisor Title]

FRANCHISEE:

[INSERT NAME OF FRANCHISEE]
[Franchisee Entity Info]

Sign:
Printed Name: [Franchisee Signatory]
Title: [Franchisee Title]

Or if Franchisee is an individual(s)

Sign:
Printed Name: [Franchisee Signatory]

Sign:
Printed Name: [Franchisee Signatory]

Sign:
Printed Name: [Franchisee Signatory]

ATTACHMENT A

TO THE FRANCHISE AGREEMENT

FRANCHISE DATA SHEET

1. **Effective Date**. The Effective Date of this Franchise Agreement, set forth in the introductory Paragraph of this Franchise Agreement is:

[Effective Date]

2. **Franchisee**. The Franchisee identified in the introductory paragraph of the Franchise Agreement is:

[Name of Franchisee]

3. **Notice Address**. Franchisee Notice Address is:

[Franchisee Address]

4. **Initial Franchise Fee**. The "Initial Franchise Fee" is: (check one):

____ $49,500 for a single Franchise.

____ Not applicable; this Franchise Agreement is signed as a Successor Franchise Agreement or as a result of a Transfer.

____ Not applicable; this Franchise Agreement is being signed under an area development agreement between Franchisee and Franchisor and no Initial Franchise Fee is due. This Franchise Agreement constitutes franchise number ____ out of a total of up to ____ franchises under the area development agreement between you and us dated _____, 20__.

5. **Business Type**. Under this Franchise Agreement, the Franchisee will operate an:

____ MSO Model and sign an MSA.

____ DCO Model and sign a Waiver of Management Agreement.

6. **Territory**: Subject to final approval of the location of the Franchised Business, the parties intend that the Franchised Business will have a Territory, which shall be set forth in Attachment A-1. We will present you with the Territory upon the identification of the site for the Franchised Business. If you do not wish to accept the Territory, you may choose another site location and we will present you with another Territory based on the site selected.

7. **Location**. If a particular site for the Clinic has been selected and approved at the time of the signing of this Franchise Agreement, it shall be entered in Attachment A-1 as the Clinic location, and the Territory shall be as listed in Attachment A-1, if applicable. If a particular site has not been selected

and approved at the time of the signing of this Franchise Agreement, once we have approved a location for your Clinic, you and we will execute Attachment A-1.

8. **Medical Professional**. Your Medical Professional, if you operate an MSO Model, as of the Effective Date is _____. You may not change the Medical Professional without prior written approval. If you operate a DCO Model, you assume the responsibilities and obligations of the Medical Professional.

FRANCHISOR:
HERWAY HEALTH FRANCHISE, LLC
a California limited liability company

Sign:
Printed Name: [Franchisor Signatory]
Title: [Franchisor Title]
Date:

FRANCHISEE:
[INSERT NAME OF FRANCHISEE]
[Franchisee Entity Info]

Sign:
Printed Name: [Franchisee Signatory]
Title: [Franchisee Title]
Date:

Or if Franchisee is an individual(s)

Sign:
Printed Name: [Franchisee Signatory]
Date:

Sign:
Printed Name: [Franchisee Signatory]
Date:

ATTACHMENT A-1

TO THE FRANCHISE AGREEMENT

PREMISES AND TERRITORY

You have received acceptance for site location for the Clinic that satisfies the demographics and location requirements minimally necessary for a Clinic and that meets our minimum current standards and specifications for the buildout, interior design, layout, floor plan, signs, designs, color and décor of a Clinic. You acknowledge that our acceptance of the site location for the Clinic is in no way a representation by us that your site will be successful. You and we have mutually agreed upon a Territory based on the site for the Clinic which is indicated below. You acknowledge that the Territory is in conformance with the territory guidelines stated in Item 12 of the Franchise Disclosure Document.

Location for the Clinic:

The Clinic for your Franchised Business as provided in Section 2 of the Franchise Agreement is:

[Clinic address]

Territory:

You and we have mutually agreed upon a Territory based on the site for the Clinic which is indicated below: [INSERT TERRITORY MAP OR DESCRIPTION]

(***Signature Page Follows***)

FRANCHISOR:
HERWAY HEALTH FRANCHISE, LLC
a California limited liability company

Sign:
Printed Name: [Franchisor Signatory]
Title: [Franchisor Title]
Date:

FRANCHISEE:
[INSERT NAME OF FRANCHISEE]
[Franchisee Entity Info]

Sign:
Printed Name: [Franchisee Signatory]
Title: [Franchisee Title]
Date:

Or if Franchisee is an individual(s)

Sign:
Printed Name: [Franchisee Signatory]
Date:

Sign:
Printed Name: [Franchisee Signatory]
Date:

ATTACHMENT B

TO THE FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

1. **Franchisee:**

[Name of Franchisee] [Franchisee Entity Info]

2. **Form of Ownership: (Check One)**

____ Individual(s) ____ Partnership ____ Corporation ____ Limited Liability Company

3. **State and Date of Formation/Incorporation**:

[State and Date of Formation/Incorporation]

4. **Ownership and Management of the Franchisee**:

Name of Individual*	**Ownership Title** (if any) (member, managing member, partner, shareholder, individual, trustee)	**Management Position** (if any) (managers, officers, board of directors, etc.)	**Address**	**Percentage Owned** (if any)
*If any owner is a legal entity, please list the owners of such entities up through the individuals.				

5. **Identification of Responsible Owner**. Your Responsible Owner is [Responsible Owner Name].

6. **Identification of Franchise Manager**. Your Franchise Manager, if applicable, is [Franchise Manager Name].

This form is current and complete as of the Effective Date.

FRANCHISEE:

[INSERT NAME OF FRANCHISEE]
[Franchisee Entity Info]

Sign:
Printed Name: [Franchisee Signatory]
Title: [Franchisee Title]
Date:

Or if Franchisee is an individual(s)

Sign:
Printed Name: [Franchisee Signatory]
Date:

Sign:
Printed Name: [Franchisee Signatory]
Date:

ATTACHMENT C

TO THE FRANCHISE AGREEMENT

FRANCHISE OWNER AGREEMENT

As a condition to the granting by HerWay Health Franchise, LLC ("we" or "us") of a franchise agreement with [Franchisee Name] ("Franchisee"), the undersigned individual or individuals, consisting of (i) all of the owners of a direct or indirect beneficial interest in Franchisee (collectively "Owners"), and (ii) their respective spouses, if any (collectively, "Franchise Owners"), covenant and agree to be bound by this Franchise Owner Agreement ("Franchise Owner Agreement").

1. Acknowledgments.

1.1 Franchise Agreement. Franchisee entered into a franchise agreement with us effective as of [Franchise Effective Date] ("Franchise Agreement"). Capitalized words not defined in this Franchise Owner Agreement will have the same meanings ascribed to them in the Franchise Agreement.

1.2 Franchise Owners' Role. Franchise Owners are the beneficial owners or spouses of the beneficial owners of all of the direct and indirect equity interests, membership interests, or other equity controlling interests in Franchisee and acknowledge there are benefits received and to be received by each Franchise Owner, jointly and severally, and for themselves, their heirs, legal representatives, and assigns. Franchisee's obligations under the Franchise Agreement, including the confidentiality and non-compete obligations, would be of little value to us if Franchisee's direct and indirect owners were not bound by the same requirements. Under the provisions of the Franchise Agreement, Franchise Owners are required to enter into this Franchise Owner Agreement as a condition to our entering into the Franchise Agreement with Franchisee. Franchise Owners will be jointly and severally liable for any breach of this Franchise Owner Agreement.

2. Non-Disclosure and Protection of Confidential Information.

2.1 Confidentiality. Under the Franchise Agreement, we will provide Franchisee with specialized training, proprietary trade secrets, and other Confidential Information relating to the establishment and operation of a franchised business. The provisions of the Franchise Agreement governing Franchisee's non-disclosure obligations relating to our Confidential Information are hereby incorporated into this Franchise Owner Agreement by reference, and Franchise Owners agree to comply with each obligation as though fully set forth in this Franchise Owner Agreement as a direct and primary obligation of Franchise Owners. Further, we may seek the same remedies against Franchise Owners under this Franchise Owner Agreement as we may seek against Franchisee under the Franchise Agreement. Any and all information, knowledge, know-how, techniques, and other data which we designate as confidential will also be deemed Confidential Information for purposes of this Franchise Owner Agreement.

2.2 Immediate Family Members. Franchise Owners acknowledge that they could circumvent the purpose of Section 2.1 by disclosing Confidential Information to an immediate family member (i.e., spouse, parent, sibling, child, or grandchild). Franchise Owners also acknowledge that it would be difficult for us to prove whether Franchise Owners disclosed the Confidential Information to family members. Therefore, each Owner agrees that he or she will be presumed to have violated the terms of Section 2.1 if any member of his or her immediate family uses or discloses the Confidential Information or engages in any activities that would constitute a violation of the covenants listed in Section 3, below, if performed by Franchise Owners. However, Franchise Owners may rebut this presumption by furnishing

evidence conclusively showing that Franchise Owners did not disclose the Confidential Information to the family member.

3. Covenant Not to Compete.

3.1 Non-Competition During and After the Term of the Franchise Agreement. Franchise Owners acknowledge that as a participant in our system, they will receive proprietary and confidential information and materials, trade secrets, and the unique methods, procedures, and techniques which we have developed. The provisions of the Franchise Agreement governing Franchisee's restrictions on competition both during the term of the Franchise Agreement and following the expiration, termination or transfer of the Franchise Agreement are hereby incorporated into this Franchise Owner Agreement by reference, and Franchise Owners agree to comply with and perform each such covenant as though fully set forth in this Franchise Owner Agreement as a direct and primary obligation of Franchise Owners. Further, we may seek the same remedies against Franchise Owners under this Franchise Owner Agreement as we may seek against Franchisee under the Franchise Agreement.

3.2 Construction of Covenants. The parties agree that each such covenant related to non-competition will be construed as independent of any other covenant or provision of this Franchise Owner Agreement. If all or any portion of a covenant referenced in this Section 3 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a final decision to which we are a party, Franchise Owners agree to remain bound to the maximum extent permitted by law, as if that covenant were separately stated in and made a part of this Section 3.

3.3 Our Right to Reduce Scope of Covenants. Additionally, we have the right, in our sole discretion, to unilaterally reduce the scope of all or part of any covenant referenced in this Section 3 of this Franchise Owner Agreement, without Franchise Owners' consent (before or after any dispute arises), effective when we give Franchise Owners written notice of this reduction. Franchise Owners agree to comply with any covenant as so modified.

4. Continuing Guarantee.

4.1 Payment. Franchise Owners will pay us (or cause us to be paid) all monies payable by Franchisee under the Franchise Agreement whether now or in the future on the dates and in the manner required for payment in the relevant agreement.

4.2 Performance. Franchise Owners unconditionally guarantee full performance and discharge by Franchisee of all of Franchisee's obligations under the Franchise Agreement whether now or in the future on the date and time and in the manner required in the relevant agreement.

4.3 Indemnification. Franchise Owners will indemnify, defend, and hold harmless us, all of our affiliates, and the respective shareholders, directors, partners, employees, and agents of such entities, against and from all losses, damages, costs, and expenses which we or they may sustain, incur, or become liable for, whether now or in the future, by reason of: (i) Franchisee's failure to pay the amounts owed (to us or any of our affiliates) pursuant to the Franchise Agreement, or to do and perform any other act, matter, or thing required by the Franchise Agreement; or (ii) any action by us to obtain performance by Franchisee of any act, matter, or thing required by the Franchise Agreement.

4.4 No Exhaustion of Remedies. Franchise Owners acknowledge and agree that we are not obligated to exhaust all remedies (whether legal or equitable) against or pursue relief from the Franchisee, before proceeding to enforce the obligations of the Franchise Owners as guarantors under this Franchise Owner Agreement. The enforcement of Franchise Owners' obligations can take place before,

after, or simultaneously with the enforcement of any of the Franchisee's debts or obligations under the Franchise Agreement.

4.5 Waiver of Notice. Without affecting Franchise Owners' obligations under this Section 4, we can extend, modify, or release any of Franchisee's indebtedness or obligation, or settle, adjust, or compromise any claims against Franchisee, all without notice to the Franchise Owners. Franchise Owners waive notice of amendment of the Franchise Agreement and notice of demand for payment or performance by Franchisee.

4.6 Effect of Franchise Owner's Death. Upon the death of a Franchise Owner, the estate of such Franchise Owner will be bound by the obligations in this Section 4, but only for defaults and obligations hereunder existing at the time of death, and the obligations of any other Franchise Owners will continue in full force and effect.

4.7 Waiver of Acceptance, Default and Defenses. Owners waive: (i) acceptance and notice of acceptance by us of the foregoing undertakings; (ii) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; and (iii) any and all other notices and legal or equitable defenses, right of setoff, claim or counterclaim whatsoever to which they may be entitled at any time hereunder.

4.8 Continuing Nature. Franchise Owners agree that each of the obligations in this Section 4 shall be continuing and shall not be discharged by: (i) the insolvency of Franchisee or the payment in full of all of the obligations at any time; (ii) the power or authority or lack thereof of Franchisee to incur the obligations; (iii) the validity or invalidity of any of the obligations; (iv) the existence or non-existence of Franchisee as a legal entity; (v) any statute of limitations affecting the liability of Franchise Owners or our ability to enforce this Franchise Owner Agreement or the obligations; or (vi) any right of offset, counterclaim or defense of any Owner, including, without limitation, those which have been waived by Franchise Owners pursuant to this Franchise Owner Agreement.

5. Transfers. Franchise Owners acknowledge and agree that we have granted the Franchise Agreement to Franchisee in reliance on Franchise Owners' business experience, skill, financial resources, and personal character. Accordingly, Franchise Owners agree not to sell, encumber, assign, transfer, convey, pledge, merge, or give away any direct or indirect interest in Franchisee, unless Franchise Owners first comply with the sections in the Franchise Agreement regarding Transfers. Franchise Owners acknowledge and agree that attempting to Transfer an interest in the Franchisee without our express written consent, except those situations provided in the Franchise Agreement where our consent is not required, will be a breach of this Franchise Owner Agreement and the Franchise Agreement. We may, from time to time, without notice to Franchise Owners, assign or transfer any or all of our rights, duties and obligations or any interest therein in this Franchise Owner Agreement and, notwithstanding any assignment(s) or transfer(s), such rights, duties and obligations shall be and remain in effect for the purpose of this Franchise Owner Agreement. Each and every immediate and successive assignee or transferee of any of the rights, duties or obligations or any interest therein shall, to the extent of such party's interest in the rights duties and/or obligations, be entitled to the benefits of this Franchise Owner Agreement to the same extent as if such assignee or transferee were us.

6. Notices.

6.1 Method of Notice. Any notices given under this Franchise Owner Agreement shall be in writing and delivered in accordance with the provisions of the Franchise Agreement.

6.2 Notice Addresses. Our current address for all communications under this Franchise Owner Agreement is:

HerWay Health Franchise, LLC
2035 Corte Del Nogal Suite 160
Carlsbad, California 92011

The current address of each Franchise Owner for all communications under this Franchise Owner Agreement is designated on the signature page of this Franchise Owner Agreement. Any party may designate a new address for notices by giving written notice to the other parties of the new address according to the method set forth in the Franchise Agreement.

7. Enforcement of This Franchise Owner Agreement.

7.1 Dispute Resolution. Any claim or dispute arising out of or relating to this Franchise Owner Agreement shall be subject to the dispute resolution provisions of the Franchise Agreement. This agreement to engage in such dispute resolution process shall survive the termination or expiration of this Franchise Owner Agreement.

7.2 Choice of Law; Jurisdiction and Venue. This Franchise Owner Agreement and any claim or controversy arising out of, or relating to, any of the rights or obligations under this Franchise Owner Agreement, and any other claim or controversy between the parties, will be governed by the choice of law, jurisdiction, and venue provisions of the Franchise Agreement.

7.3 Equitable Remedies. Franchise Owners acknowledge and agree that the covenants and obligations of the Franchise Owners relate to special, unique and extraordinary matters and that a violation of any of the terms of such covenants and obligations will cause us irreparable injury for which adequate remedies are not available at law. Therefore, Franchise Owners agree that we shall be entitled to an injunction, restraining order or such other equitable relief (without the requirement to post bond) as a court of competent jurisdiction may deem necessary or appropriate to restrain Franchise Owners from committing any violation of the covenants and obligations contained in this Franchise Owner Agreement. If equitable relief is granted, Franchise Owners' only remedy will be the court's dissolution of the injunctive relief. If equitable relief was wrongfully issued, Franchise Owners expressly waive all claims for damages they incurred as a result of the wrongful issuance.

8. Miscellaneous.

8.1 No Other Agreements. This Franchise Owner Agreement constitutes the entire, full, and complete agreement between the parties, and supersedes any earlier or contemporaneous negotiations, discussions, understandings, or agreements. There are no representations, inducements, promises, agreements, arrangements, or undertakings, oral or written, between the parties relating to the matters covered by this Franchise Owner Agreement, other than those in this Franchise Owner Agreement. No other obligations, restrictions, or duties that contradict or are inconsistent with the express terms of this Franchise Owner Agreement may be implied into this Franchise Owner Agreement. Except for unilateral reduction of the scope of the covenants permitted in Section 3.3 (or as otherwise expressly provided in this Franchise Owner Agreement), no amendment, change, or variance from this Franchise Owner Agreement will be binding on either party unless it is mutually agreed to by the parties and executed in writing. Time is of the essence.

8.2 Severability. Each provision of this Franchise Owner Agreement, and any portions thereof, will be considered severable. If any provision of this Franchise Owner Agreement or the

application of any provision to any person, property, or circumstances is determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Franchise Owner Agreement will be unaffected and will still remain in full force and effect. The parties agree that the provision found to be invalid or unenforceable will be modified to the extent necessary to make it valid and enforceable, consistent with the original intent of the parties (i.e., to provide maximum protection for us and to effectuate the Franchise Owners' obligations under the Franchise Agreement to the fullest extent permitted by law), and the parties agree to be bound by the modified provisions.

8.3 No Third-Party Beneficiaries. Nothing in this Franchise Owner Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Franchise Owner Agreement.

8.4 Construction. Any term defined in the Franchise Agreement which is not defined in this Franchise Owner Agreement will be ascribed the meaning given to it in the Franchise Agreement. The language of this Franchise Owner Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Franchise Owner Agreement refer to whatever number or gender the context requires. If more than one party or person is referred to as you, their obligations and liabilities must be joint and several. Headings are for reference purposes and do not control interpretation.

8.5 Binding Effect. This Franchise Owner Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Franchise Owner Agreement is binding on the parties and their respective heirs, executors, administrators, personal representatives, successors, and (permitted) assigns.

8.6 Successors. References to "we," "us," "Franchise Owners," "the undersigned," or "you" include the respective parties' heirs, successors, assigns, or transferees.

8.7 Nonwaiver. Our failure to insist upon strict compliance with any provision of this Franchise Owner Agreement shall not be a waiver of our right to do so. Delay or omission by us respecting any breach or default shall not affect our rights respecting any subsequent breaches or defaults. All rights and remedies granted in this Franchise Owner Agreement shall be cumulative.

8.8 No Personal Liability. Franchise Owners agree that fulfillment of any and all of our obligations written in the Franchise Agreement or this Franchise Owner Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to Franchise Owners for any reason.

8.9 Franchise Owner Agreement Controls. In the event of any discrepancy between this Franchise Owner Agreement and the Franchise Agreement, this Franchise Owner Agreement shall control.

IN WITNESS WHEREOF, the parties have entered into this Franchise Owner Agreement as of the Effective Date of the Franchise Agreement.

(Signature page follows)

OWNER(S):

Signature:
Printed Name: [Insert Name of Owner 1]
Address: [Insert Address of Owner 1]

Signature:
Printed Name: [Insert Name of Owner 2]
Address: [Insert Address of Owner 2]

Signature:
Printed Name: [Insert Name of Owner 3]
Address: [Insert Address of Owner 3]

SPOUSE(S):

Signature:
Printed Name: [Insert Name of Spouse 1]
Address: [Insert Address of Spouse 1]

Signature:
Printed Name: [Insert Name of Spouse 2]
Address: [Insert Address of Spouse 2]

Signature:
Printed Name: [Insert Name of Spouse 3]
Address: [Insert Address of Spouse 3]

EXHIBIT D

AREA DEVELOPMENT AGREEMENT

EXHIBIT D

HERWAY

HERWAY

AREA DEVELOPMENT AGREEMENT

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HERWAY

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT ("Area Development Agreement") is made and entered into by and between HerWay Health Franchise, LLC, a California limited liability company ("we," "us," or "our"), and the area developer identified in the signature page of this Area Development Agreement ("you" or "your") as of the date specified as the "Effective Date" in Attachment A to this Area Development Agreement. If more than one person or entity is listed as Area Developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Area Development Agreement.

WITNESSETH:

WHEREAS, we offer franchise rights relating to the establishment, development and operation of franchises ("Herway Franchise(s)") that operate a business providing healthcare services to women under membership plans and will include hormone, wellness and beauty therapies, including hormone replacement, sexual wellness and vitamin wellness therapies, weight management, physicals, injectables, facials, regenerative medicine therapies and similar non-critical healthcare services, goods, and medications ("Herway Business(es)");

WHEREAS, in addition to this Area Development Agreement, you and we have entered into a franchise agreement (the "Initial Franchise Agreement") for the right to establish and operate a single Herway Business (the "Initial Business"); and

WHEREAS, you desire to purchase an option to establish and operate multiple Herway Franchises within the territory described in Attachment A ("Development Territory"), under the development schedule described in Attachment B ("Development Schedule") and pursuant to the terms and conditions of this Area Development Agreement.

NOW, THEREFORE, in consideration for the promises, rights and obligations set forth in this Area Development Agreement, the parties mutually agree as follows:

1. GRANT

1.1 We hereby grant to you the right to establish and operate the number of Herway Franchises indicated in Section 1 of Attachment B within the Development Territory described in Attachment A. Each Herway Franchise shall be operated according to the terms of our then-current form of individual franchise agreement which may contain materially different terms from the Initial Franchise Agreement including, but not limited to, higher royalty fees.

1.2 If you comply with the terms of this Area Development Agreement, including the Development Schedule, and the individual franchise agreements entered into as a part of this Area Development Agreement, and any other agreements entered into with us or our affiliates, then we will not directly or indirectly cause or allow other Herway Franchises to be franchised or licensed in the Development Territory during the Term of this Area Development Agreement, subject to limited exceptions. You acknowledge that the Development Territory may already include existing Herway Franchises, and that you may not develop a Herway Franchise that infringes on the territorial rights of existing Herway Franchises. We and our affiliates have the right to operate, and to license others to operate, Herway

Businesses at any location outside the Development Territory, even if doing so could affect your operation of any of your Herway Businesses.

We and our affiliates, and any other authorized person or entity (including any other Herway Franchise), reserve the right at any time, conduct any other type of activities within your Development Territory that we and our affiliates are permitted to conduct under the Initial Franchise Agreement and any subsequent franchise agreements. We also retain the right, for ourselves, our affiliates, and any other authorized person or entity (including any other Herway Franchises), to act in the manner permitted in any franchise agreement.

(a) We reserve all rights not expressly granted to you, including the right for ourselves and our affiliates to engage in any other business activities not expressly prohibited by this Area Development Agreement. This includes, but is not limited to, the right to (i) to own, franchise, or operate Herway Businesses at any location outside of the Development Territory, regardless of the proximity to your Herway Business; (ii) (ii) to use Herway trademarks (the "Marks") and system (the "System") to sell any products or services, similar to those which you will sell, through any alternate channels of distribution within or outside of the Development Territory, including, but not limited to, other channels of distribution such as television, mail order, catalog sales, wholesale to unrelated retail outlets, or over the Internet; (iii) to use and license the use of other proprietary and non-Marks or methods which are not the same as or confusingly similar to the Marks, at any location, including within the Development Territory, which may be similar to or different from your Herway Business; (iv) to engage in any transaction (including purchases, mergers or conversions), involving the System or a new system, with any business, including businesses that directly or indirectly compete with your Herway Business, regardless of their location, provided that any competing businesses located inside your Development Territory will not operate under the Marks; (v) to implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere; and (vi) to engage in any other business activities not expressly prohibited by this Area Development Agreement.

We are not required to pay you if we exercise any of the rights specified above within the Development Territory. We do not pay compensation for soliciting or accepting orders inside the Development Territory.

Upon the expiration or termination of this Area Development Agreement, you shall have no further right to construct, equip, own, open or operate additional Herway Franchises which are not, at the time of such termination or expiration, the subject of a then-existing franchise agreement between you (or an affiliate of you) and us, which is then in full force and effect.

1.3 This Area Development Agreement is not a franchise agreement and does not grant you the right to use the Marks or System in any manner. Each Herway Franchise will be governed by the individual franchise agreement signed by you or your affiliate and us for each Herway Business.

1.4 You must own at least a 51% equity interest in any legal entity that develops or operates each Herway Business developed under this Area Development Agreement. You shall identify all of your equity owners and leadership and management personnel (officers, directors, managers, etc.) by completing the "Statement of Ownership" attached to this Area Development Agreement as Attachment C. You agree to execute an updated form of Attachment C within ten business days of any change in your equity ownership. Failure to provide us with an updated Attachment C within the time frame specified in this Section 1.4 shall constitute a default of this Area Development Agreement.

2. TERM

Unless earlier terminated due to default as provided in Section 8, the term of this Area Development Agreement will expire upon the earlier of the following: (a) the termination date listed on Section 2 of Attachment B; or (b) completion of the obligations of the Development Schedule, and no notice shall be required to evidence or effectuate such expiration, which shall occur automatically upon the fulfilment of either of the foregoing conditions. Upon expiration or termination of this Area Development Agreement, the only territorial protections that you will retain are those under each individual franchise agreement. During the term of this Area Development Agreement (and following termination of this Area Development Agreement), you shall be subject to all confidentiality and non-compete provisions contained in any franchise agreements, Franchise Owner Agreements and similar agreements you have signed with us or our affiliates.

3. DEVELOPMENT FEE

You must pay us the total "Development Fee" set forth in Attachment A upon execution of this Area Development Agreement. The Development Fee is uniformly calculated, payable when you sign this Area Development Agreement, and is non-refundable under any circumstances, even if you fail to open any Herway Businesses.

4. MANNER FOR EXERCISING DEVELOPMENT RIGHTS

In order to exercise your development rights under this Area Development Agreement, you must enter into separate franchise agreements for each Herway Franchise to be developed under this Area Development Agreement. The Initial Franchise Agreement shall be executed and delivered concurrently with the execution and delivery of this Area Development Agreement. All subsequent Herway Franchises developed under this Area Development Agreement shall be established and operated pursuant to the form of franchise agreement and ancillary documents then being used by us for a Herway Franchise. You acknowledge that the then-current form of franchise agreement may differ from the Initial Franchise Agreement. You may not exercise any development rights under this Area Development Agreement while you are in default of any other agreement with us, including the Initial Franchise Agreement, or any other franchise agreement between us and you.

5. DEVELOPMENT SCHEDULE

5.1 Acknowledging that time is of the essence, you agree to exercise your development rights according to Section 4 and according to the Development Schedule set forth in Attachment B, which designates the number of Herway Franchises that must be opened in the Development Territory prior to the expiration of each of the designated development periods (each a "Development Period").

5.2 During any Development Period, you may, with our prior written consent, develop more than the number of Herway Businesses than you are required to develop during that Development Period by opening multiple Herway Businesses during a single Development Period. Any Herway Businesses opened during a Development Period in excess of the minimum number to be opened prior to expiration of that Development Period shall be applied to satisfy your development obligation during the next succeeding Development Period. You are not permitted to develop more than the total number of Herway Franchises permitted under the Development Schedule.

5.3 You shall open each Herway Business in accordance with the terms of the applicable franchise agreement and in accordance with the Development Schedule set forth in Attachment B. You shall

execute a franchise agreement for each Herway Business you open under this Area Development Agreement.

5.4 Your first failure to adhere to the Development Schedule shall result in a loss of the exclusive territorial rights granted in this Area Development Agreement. Failure by you to adhere to the Development Schedule on two or more occasions shall constitute an event of default under this Area Development Agreement, for which we may exercise any or all of our rights under Section 8.1 of this Area Development Agreement.

5.5 If we are not legally able to deliver a Franchise Disclosure Document to you by reason of any lapse or expiration of our franchise registration, or because we are in the process of amending any such registration, or for any reason beyond our reasonable control, we may delay acceptance of the site for your proposed Herway Franchise, or delivery of a franchise agreement, until such time as we are is legally able to deliver a Franchise Disclosure Document. Your Development Schedule would be equally extended by such delay.

6. LOCATION OF HERWAY WOMEN'S HEALTH BUSINESSES

The location of each Herway Business shall be selected by you and approved by us in accordance with the terms set forth in each franchise agreement signed by you, within the Development Territory.

7. FRANCHISE AGREEMENT

You shall not commence construction on or open any Herway Business until, among other things, the individual franchise agreement for that Herway Franchise has been signed by both you and us.

8. DEFAULT AND TERMINATION

8.1 You will be in default of this Area Development Agreement if you (or your affiliate(s)): (a) fail to comply with the Development Schedule on two or more occasions; (b) fail to perform any of your obligations under this Area Development Agreement or any individual franchise agreement; or (c) fail to comply with the transfer provisions contained in this Area Development Agreement. Upon default, we shall have the right, at our option, and in our sole discretion, to do any or all of the following:

(a) terminate this Area Development Agreement;

(b) terminate any territorial exclusivity granted to you;

(c) reduce the size of your Development Territory;

(d) permit you to extend the Development Schedule; or

(e) pursue any other remedy we may have at law or in equity, including, but not limited to, a suit for non-performance.

8.2 In addition, if any individual franchise agreement signed by you or your affiliate, whether or not signed in connection with or pursuant to this Area Development Agreement, is terminated for any reason, we shall have the right to terminate this Area Development Agreement on immediate written

notice to you. Upon termination or expiration of the term of this Area Development Agreement, we shall have the right to open, or license others to open, Herway Businesses within the Development Territory (subject to the territorial rights granted, if any, for any then-existing Herway franchise agreements); and you shall be subject to all confidentiality and non-competition covenants contained in any franchise agreements, Franchise Owner Agreements and similar agreements you have signed with us or our affiliates. For purposes of this Section 8.2, any franchise agreement signed by us and you or your approved affiliates, or any corporation, partnership or joint venture, or their affiliates, in which you or any stockholder, partner or joint venturer of you has any direct or indirect ownership or participation interest shall be deemed a franchise agreement issued to you.

We may also terminate if our counsel advises our business model or fee structure is unlawful in your state and either you and we fail to agree on changes to business model or fee structure to make it lawful or the required changes would result in fundamental changes to this Franchise Agreement. This would be deemed a "no fault" termination.

8.3 Upon your first failure to adhere to the Development Schedule, you will lose the exclusive territorial rights granted in this Area Development Agreement as stated above in Section 5.4, but such initial failure to comply with the Development Schedule will not otherwise constitute default of this Area Development Agreement.

8.4 In the event of a default by you, all of our costs and expenses arising from such default, including reasonable accountant fees, attorney fees and administrative fees shall be paid to us by you within five days after cure or upon demand by us if such default is not cured. You will remain bound by all franchise agreements.

9. ASSIGNMENT

9.1 We shall have the absolute right to transfer or assign all or any part of our rights or obligations hereunder to any person or legal entity which assumes our obligation under this Area Development Agreement and we shall thereby be released from any and all further liability to you. For the avoidance of doubt, a change of control includes any direct or indirect change in the ability to control or direct Franchisee, including through a change in the governance, trusteeship, or control of any trust or other entity that directly or indirectly owns an interest in Franchisee.

9.2 Upon the death or Permanent Disability (as defined below) of you or any equity owner of you (if you are an entity) or of your Responsible Owner (as defined below), we shall allow a period of up to 180 days after such death or Permanent Disability for his or her heirs, personal representatives or conservators (the "Heirs") to seek and obtain our consent to the assignment of his or her rights and interests in this Area Development Agreement (or the assignment of his or her equity and voting power) to another equity owner or third-party approved by us. If, within said 180-day period, said Heir(s) fail to receive our consent or to effect such consent to assignment, then we shall have the right to immediately terminate this Area Development Agreement. We may withhold or grant such consent in our sole discretion. For purposes of this Section 9.2, a "Permanent Disability" shall mean any physical, emotional or mental injury, illness or incapacity which would prevent a person from performing the obligations set forth in this Area Development Agreement or in the guaranty made part of this Area Development Agreement for at least 90 consecutive days, and from which condition recovery within 90 days from the date of determination of disability is unlikely. If the parties disagree as to whether a person is disabled, a licensed practicing physician selected by us will examine the person and determine if he or she has a Permanent Disability. If the person refuses to submit to an examination, such person shall automatically be deemed Permanently Disabled as of the date of such refusal for the purpose of this Section 9.2. The costs of any examination required by this Section 9.2 shall be paid by us. Upon the death or claim of

Permanent Disability of you or any Responsible Owner, you or your representative must notify us of such death or claim of Permanent Disability within 15 days. The Heirs must request our approval for the right to transfer to the next of kin within 120 calendar days after the death or disability. The "Responsible Owner" means the individual that you designate, and we approve who is primarily responsible for communicating with us about any of your Herway Business(es) and all matters related to this Area Development Agreement.

9.3 You may not assign this Area Development Agreement or any rights to the Development Territory except in compliance with Section 9.2. The provisions of this Section shall not restrict you from transferring an open and operating Herway Franchise in compliance with the assignment provisions contained in such franchise agreement.

10. FORCE MAJEURE

In the event that you are unable to comply with the Development Schedule due to strike, riot, civil disorder, war, epidemic, fire, natural catastrophe or other similar events which are beyond your control and cannot be overcome by use of reasonable commercial measures ("Force Majeure"), and upon notice to us, the Development Schedule and this Area Development Agreement shall be extended for a corresponding period, not to exceed 90 days. An event of Force Majeure does not relieve a party from liability for an obligation which arose before the occurrence of the event, nor does that event affect any obligation to pay money owed under this Area Development Agreement or any franchise agreement or to indemnify us, whether such obligation arose before or after the Force Majeure event. An event of Force Majeure shall not affect your obligations to comply with any restrictive covenants in this Area Development Agreement during or after the Force Majeure event.

11. ENTIRE AGREEMENT

This Area Development Agreement may be executed in counterparts, and each copy so executed and delivered will be deemed an original. This Area Development Agreement constitutes the entire understanding of the parties with respect to the development of the Development Territory, and shall not be modified except by a written agreement signed by the parties. However, nothing in this Area Development Agreement or any related agreement is intended to disclaim our representations made in the Franchise Disclosure Document. Where this Area Development Agreement and any franchise agreement between the parties conflicts with respect to the payment terms of Development Fees or equity interests held by you or your operating partners, the terms of this Area Development Agreement shall govern. Under no circumstances does this Area Development Agreement grant you any rights to grant sub-franchises in the Development Territory. No provision herein expressly identifying any term or breach of this Area Development Agreement as material shall be construed to imply that any other term or breach which is not so identified is not material.

12. OUR RELATIONSHIP

Nothing in this Area Development Agreement creates a fiduciary relationship between the parties or is intended to make either party an agent, legal representative, partner or employee of the other party. Neither party may: (a) make any express or implied agreement, warranty or representation, or incur any debt, in the name of or on behalf of the other; or (b) represent that our relationship is other than franchisor and franchisee. Neither party is obligated by any agreement or representation made by the other party unless expressly authorized by this Area Development Agreement. You shall enter into contracts for the development of the Development Territory contemplated by this Area Development Agreement at your sole risk and expense, and shall be solely responsible for the direction, control, supervision and

management of your agents and employees. You acknowledge that you do not have authority to incur any obligations, responsibilities or liabilities on behalf of us, or to bind us by any representations or warranties, and agree not to hold yourself out as having this authority. You further agree that fulfilment of any and all of our obligations written in this Area Development Agreement, or based on any oral communications which may be ruled to be binding in a court of law, shall be our sole responsibility and none of our owners, officers, agents, representatives, nor any individuals associated with us shall be personally liable to you for any reason.

You or your affiliate (if applicable) must determine appropriate staffing levels for each of your Herway Businesses developed under this Area Development Agreement to ensure full compliance with each of the individual franchise agreements and our System standards. You or your affiliate is solely responsible to hire, train and supervise employees or independent contractors to assist with the proper operation of the Herway Businesses. You or your affiliate must pay all wages, commissions, fringe benefits, worker's compensation premiums and payroll taxes (and other withholdings levied or fixed by any city, state or federal governmental agency, or otherwise required by law) due for your employees or as applicable, for your independent contractors. These employees and independent contractors will be your or your affiliate's employees or contractors, not ours. We do not control the day-to-day activities of your employees or independent contractors or the manner in which they perform their assigned tasks. You or your affiliate must inform your employees and independent contractors that you are exclusively responsible for supervising their activities and dictating the manner in which they perform their assigned tasks. In this regard, you or your affiliate must use your legal business entity name (not our Marks or a fictitious name) on all employee applications, paystubs, pay checks, employment agreements, consulting agreements, time cards and similar items.

You have sole responsibility and authority for all employment-related decisions, including employee selection, promotion, firing, hours worked, rates of pay and other benefits, work assignments, training and working conditions, compliance with wage and hour requirements, personnel policies, recordkeeping, supervision and discipline. We will not provide you with any advice or guidance on these matters. You must require your employees and independent contractors to review and sign any acknowledgment form we prescribe that explains the nature of the area development and/or franchise relationship and notifies the employee or independent contractor that you are his or her sole employer. You must also post a conspicuous notice for employees and independent contractors in the back-of-the-house area explaining your area development and/or franchise relationship with us and that you (and not we) are the sole employer. We may prescribe the form and content of this notice. You agree that any direction you receive from us regarding employment/engagement policies should be considered as examples, that you alone are responsible for establishing and implementing your own policies, and that you understand that you should do so in consultation with local legal counsel competent in employment law.

13. INDEMNIFICATION

You agree to protect, defend, indemnify and hold us and our affiliates, the respective officers, directors, managers, partners, shareholders, members, employees, agents and contractors of these entities (collectively, the "Indemnified Parties") harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, directly or indirectly incurred as a result of, arising from, out of, or in connection with your carrying out your obligations hereunder; your employment or other contractual relationship with your employees, workers, managers, or independent contractors, including but not limited to any allegation, claim, finding, or ruling that we are an employer or joint employer of your employees; your marketing, selling, or providing of items and services; and any breach of violation of any agreement (including this Area Development Agreement or any franchise agreement between you and us); or any law, regulation or ruling, by any act, error or omission (active or

passive) of you, any party associated with you or your affiliate, and your respective officers and employees.

You agree to reimburse us within 30 days of us submitting an invoice to you for all costs of defending the matter, including all attorney fees we incur, whether or not your insurer assumes defense of us promptly when requested. We have the right to approve any resolution or course of action, including, but not limited to, the selection of an attorney for the defense of a matter that could directly or indirectly have any adverse effect on us or our Marks or System, or could serve as a precedent for other matters.

14. SUCCESSORS AND ASSIGNS

This Area Development Agreement shall be binding upon and inure to the benefit of each of the parties hereto and their heirs, successors, permitted assigns and personal representatives. If more than one person or entity is listed as the area developer, each such person or entity shall be jointly and severally liable for all rights, duties, restrictions and obligations under this Area Development Agreement.

15. APPLICABLE LAW

Except as governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051, et seq.), this Area Development Agreement and the area developer relationship shall be governed by the laws of the state where the Franchisee's Clinic is located (without reference to its principles of conflicts of law), but any law of that State that regulate the offer and sale of franchises or business opportunities or governs the relationship of a franchisor and its area developer or franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

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

16. NOTICE

Whenever this Area Development Agreement requires notice, it shall be in writing and shall be deemed so delivered at the time delivered by hand; one business day after electronically confirmed transmission by email or other electronic system; one business day after delivery by a reputable overnight delivery service, or one business day after delivery confirmation by priority mail, and addressed : (a) to us at 2035 Corte Del Nogal, Suite 160, Carlsbad, California 92011, unless written notice is given of a change of address; and (b) to you at the address set forth in Attachment A of this Area Development Agreement, unless written notice is given of a change of address.

17. DISPUTE RESOLUTION

We and you agree that any dispute between the parties arising out of the terms of this Area Development Agreement shall be governed in accordance with the terms and conditions set forth in the Initial Franchise Agreement, including those provisions requiring mediation and/or arbitration (subject to limited exceptions for certain claims), and such terms and conditions are incorporated into this Area Development Agreement. We and you each agree that our and your respective obligations to comply with the dispute resolution terms set forth in the Initial Franchise Agreement shall survive any termination, expiration or renewal of the Initial Franchise Agreement and shall survive any termination or expiration of this Area Development Agreement.

18. ACKNOWLEDGEMENTS

18.1 You acknowledge and recognize that different area development agreements and franchise agreements may have different terms and conditions, including different fee structures, than this Area Development Agreement, regardless of when those other agreements were or will be executed. We do not represent that all area development agreements or franchise agreements are or will be identical.

18.2 Nothing in this Area Development Agreement is intended to confer upon any person or entity (other than the parties and their heirs, successors, and assigns) any rights or remedies under or by reason of this Area Development Agreement.

18.3 You represent to us that you have the business acumen, corporate authority and financial wherewithal to enter into this Area Development Agreement and to perform all of your obligations provided under this Area Development Agreement, and, that the execution of this Area Development Agreement is not in conflict with any other written or oral obligation you may have.

18.4 You acknowledge and accept that it is your obligation to train, manage, pay, recruit, and supervise employees of the Herway Businesses.

18.5 You acknowledge and agree that this offering is not a security as that term is defined under applicable Federal and State security laws.

(Signature Page Follows)

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Area Development Agreement on the dates written below.

FRANCHISOR:

HERWAY HEALTH FRANCHISE, LLC
a California limited liability company

Sign:
Printed Name:
Title:
Date:

AREA DEVELOPER:

[Name of Area Developer]
[Area Developer Entity Info]

Sign:
Printed Name: [Area Developer Signatory]
Title:
Date:

Or if Area Developer is an individual(s)

Sign:
Printed Name: [Area Developer Signatory]
Date:

Sign:
Printed Name: [Area Developer Signatory]
Date:

ATTACHMENT A

DATA SHEET

1. Effective Date. The Effective Date of this Area Development Agreement, set forth in the introductory Paragraph of this Area Development Agreement is:

[Effective Date]

2. Area Developer. The Area Developer set forth in the introductory Paragraph of this Area Development Agreement is:

[Name of Area Developer] [Area Developer Entity Info]

3. Description of the Development Territory:

[Description of the Development Territory]

4. Development Fee. The Development Fee depends on the number of Herway Businesses being developed under this Area Development Agreement, and is equal to the following:

Check One	Herway Businesses Being Developed	Total Development Fee Due
	Up to 2	$91,500
	Up to 3	$129,500
	Up to 4	$165,500
	Up to 5	$199,500
	Up to 6	$231,500
	Up to ____	$231,500 plus $30,000 for each additional Business beyond 6

5. Notice Address. The notice address for the area developer, as set forth in Section 16 of this Area Development Agreement, is:

[Area Developer Notice Address]

(Signature Page Follows)

FRANCHISOR:

HERWAY HEALTH FRANCHISE, LLC
a California limited liability company

Sign:
Printed Name:
Title:
Date:

AREA DEVELOPER:

[Name of Area Developer]
[Area Developer Entity Info]

Sign:
Printed Name: [Area Developer Signatory]
Title:
Date:

Or if Area Developer is an individual(s)

Sign:
Printed Name: [Area Developer Signatory]
Date:

Sign:
Printed Name: [Area Developer Signatory]
Date:

ATTACHMENT B

DEVELOPMENT SCHEDULE

1. Number of Herway Franchises to be developed under this Area Development Agreement (including the Initial Franchise Agreement):

[Number of Herway Franchises to Be Developed]

2. The termination date of this Area Development Agreement shall be the earlier of the date the Development Schedule is complete or:

[Termination Date]

3. Development Schedule:

Herway Franchise	Franchise Opening Deadline
First Franchise	9 months after execution of Area Development Agreement
Second Franchise	20 months after execution of Area Development Agreement
Third Franchise	30 months after execution of Area Development Agreement
Fourth Franchise	40 months after execution of Area Development Agreement
Fifth Franchise	50 months after execution of Area Development Agreement
Sixth Franchise and any additional Franchises	60 months after execution of Area Development Agreement for Sixth and 10 months thereafter for each subsequent Franchise

(Signature Page Follows)

FRANCHISOR:

HERWAY HEALTH FRANCHISE, LLC
a California limited liability company

Sign:
Printed Name:
Title:
Date:

AREA DEVELOPER:

[Name of Area Developer]
[Area Developer Entity Info]

Sign:
Printed Name: [Area Developer Signatory]
Title:
Date:

Or if Area Developer is an individual(s)

Sign:
Printed Name: [Area Developer Signatory]
Date:

Sign:
Printed Name: [Area Developer Signatory]
Date:

ATTACHMENT C

STATEMENT OF OWNERSHIP

1**. Area Developer:**

[Name of Area Developer] [Area Developer Entity Info]

2. **Form of Ownership: (Check One)**

____ Individual ____ Partnership ____ Corporation ____ Limited Liability Company

3. **State and Date of Formation/Incorporation**:

[State and Date of Formation/Incorporation]

4. **Ownership and Management of the Area Developer:**

Name of Individual*	**Ownership Title** (if any) (member, managing member, partner, shareholder, individual, trustee)	**Management Position** (if any) (managers, officers, board of directors, etc.)	**Address**	**Percentage Owned** (if any)
*If any owner is a legal entity, please list the owners of such entities up through the individuals.				

5. **Identification of Responsible Owner**. Your Responsible Owner is [Responsible Owner Name].

AREA DEVELOPER:

[Name of Area Developer]
[Area Developer Entity Info]

Sign:
Printed Name: [Area Developer Signatory]
Title:

Date:

Or if Area Developer is an individual(s)

Sign:
Printed Name: [Area Developer Signatory]
Date:

Sign:
Printed Name: [Area Developer Signatory]
Date:

EXHIBIT E

LIST OF CURRENT AND FORMER FRANCHISEES

Current Franchisees as of December 31, 2025

None

Franchisees with Unopened Outlets as of December 31, 2025:

None

Former Franchisees:

The name and last known address of every franchisee who had a Herway Franchise transferred, terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under our Franchise Agreement during the period January 1, 2025 to December 31, 2025, or who has not communicated with us within ten weeks of the Issuance Date of this Franchise Disclosure Document are listed below. If you buy this Franchise, your contact information may be disclosed to other buyers when you leave the Franchise System.

None

EXHIBIT F

FRANCHISE OPERATIONS MANUAL
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HERWAY

Franchise Operations Manual

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EXHIBIT G

STATE ADDENDA
AND AGREEMENT RIDERS

STATE ADDENDA AND AGREEMENT RIDERS

ADDENDUM TO FRANCHISE AGREEMENT, SUPPLEMENTAL AGREEMENTS, AND FRANCHISE DISCLOSURE DOCUMENT FOR CERTAIN STATES FOR HERWAY HEALTH FRANCHISE, LLC

The following modifications are made to the HerWay Health Franchise, LLC ("Franchisor," "us," "we," or "our") Franchise Disclosure Document ("FDD") given to franchisee ("Franchisee," "you," or "your") and may supersede, to the extent then required by valid applicable state law, certain portions of the Franchise Agreement between you and us dated _____, 20___ ("Franchise Agreement"). When the term "Franchisor's Choice of Law State" is used, it means the laws of the state where the Franchise is located applies, subject to applicable state law. When the term "Supplemental Agreements" is used, it means Area Development Agreement.

Certain states have laws governing the franchise relationship and franchise documents. Certain states require modifications to the FDD, Franchise Agreement and other documents related to the sale of a franchise. This State-Specific Addendum ("State Addendum") will modify these agreements to comply with the state's laws. The terms of this State Addendum will only apply if you meet the requirements of the applicable state independently of your signing of this State Addendum. The terms of this State Addendum will override any inconsistent provision of the FDD, Franchise Agreement or any Supplemental Agreements. This State Addendum only applies to the following states: California, Hawaii, Illinois, Iowa, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Ohio, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

If your state requires these modifications, you will sign this State Addendum along with the Franchise Agreement and any Supplemental Agreements.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the Franchise be delivered together with the FDD 14 days prior to execution of the agreement.

Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31123 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.

The Franchise Agreement contains a provision requiring binding arbitration with the costs being awarded to the prevailing party. The arbitration will occur in Franchisor's Choice of Law State. 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 the Franchise Agreement or Area Development Agreement restricting venue to a forum outside the State of California. The Franchise Agreement contains a mediation provision. If so, the parties shall each bear their own costs of mediation and shall share equally the filing fee and the mediator's fees.

The Franchise Agreement and Area Development Agreement require the application of the law of Franchisor's Choice of Law State. For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

Neither Franchisor nor any other person listed in Item 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling such persons from membership in such association or exchange.

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement or Area Development Agreement contain a provision that is inconsistent with the California Franchise Relations Act, the California Franchise Relations Act will control.

The Franchise Agreement provides for termination upon bankruptcy. Any such provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. SEC. 101 et seq.).

The Franchise Agreement and the Area Development Agreement contains a covenant not to compete provision which extends beyond the termination of the Franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable. Any such provisions contained in the Franchise Agreement or Area Development Agreement may not be enforceable.

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

Any provision of a franchise agreement, franchise disclosure document, acknowledgment, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; and (d) violations of any provision of this division.

The California Department of Financial Protection and Innovation has not reviewed, and makes no statements concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine or dentistry. You should consult with your attorney concerning these laws, regulations, and ordinances that may affect the operation of your business. If the California Medical Board or Dental Board, or any other agency overseeing the practice of medicine or dentistry in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

Item 6 of the FDD is amended to state the highest interest rate allowed by law in California is 10% annually.

Our website (www.Herwayfranchising.com) has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CONNECTICUT

The Franchise Disclosure Document and Franchise Agreement are amended to include the following statement in regard to all references to non-refundable fees: If the seller fails to deliver the products, equipment or supplies or fails to render the services necessary to begin substantial operation of the business within forty-five days of the delivery date stated in your contract, you may notify the seller in writing and demand that the contract be cancelled.

HAWAII

The following is added to the Cover Page:

THIS FRANCHISE WILL BE/HAS BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED IN THIS FRANCHISE DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO YOU OR SUBFRANCHISOR AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY YOU OR SUBFRANCHISOR OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY YOU, WHICHEVER OCCURS FIRST, A COPY OF THE FRANCHISE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS FRANCHISE DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH US AND YOU.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The status of the Franchisor's franchise registrations in the states which require registration is as follows:

1. States in which this proposed registration is effective are listed in Exhibit J of the FDD on the page entitled, "State Effective Dates."

2. States which have refused, by order or otherwise, to register these Franchises are:

None

3. States which have revoked or suspended the right to offer the Franchises are:

None

4. States in which the proposed registration of these Franchises has been withdrawn are:

None

ILLINOIS

Sections 4 and 41 and Rule 608 of the Illinois Franchise Disclosure Act states that court litigation must take place before Illinois federal or state courts and all dispute resolution arising from the terms of this Agreement or the relationship of the parties and conducted through arbitration or litigation shall be subject to Illinois law. The FDD, Franchise Agreement and Supplemental Agreements are amended accordingly.

The governing law or choice of law clause described in the FDD and contained in the Franchise Agreement and Supplemental Agreements is not enforceable under Illinois law. This governing law clause shall not be construed to negate the application of Illinois law in all situations to which it is applicable.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act or any other law of this State is void." The Franchise Agreement is amended accordingly. To the extent that the Franchise Agreement would otherwise violate Illinois law, such Agreement is amended by providing that all litigation by or between you and us, arising directly or indirectly from the Franchise relationship, will be commenced and maintained in the state courts of Illinois or, at our election, the United States District Court for Illinois, with the specific venue in either court system determined by appropriate jurisdiction and venue requirements, and Illinois law will pertain to any claims arising under the Illinois Franchise Disclosure Act.

Item 17.v, Choice of Forum, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

Item 17.w, Choice of Law, of the FDD is revised to include the following: "provided, however, that the foregoing shall not be considered a waiver of any right granted upon you by Section 4 of the Illinois Franchise Disclosure Act."

The termination and non-renewal provisions in the Franchise Agreement and the FDD may not be enforceable under Sections 19 and 20 of the Illinois Franchise Disclosure Act.

Under Section 705/27 of the Illinois Franchise Disclosure Act, no action for liability under the Illinois Franchise Disclosure Act can be maintained unless brought before the expiration of three years after the act or transaction constituting the violation upon which it is based, the expiration of one year after you become aware of facts or circumstances reasonably indicating that you may have a claim for relief in respect to conduct governed by the Act, or 90 days after delivery to you of a written notice disclosing the violation, whichever shall first expire. To the extent that the Franchise Agreement is inconsistent with the Illinois Franchise Disclosure Act, Illinois law will control and supersede any inconsistent provision(s).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA

Item 8 of the FDD is amended to add the following:

> Under Indiana Code Section 23-2-2.7-1(4), we will not accept any rebates from any person with whom you do business or associate in relation to transactions between you and the other person, other than for compensation for services rendered by us, unless the rebate is properly accounted for and submitted to you.

Item 17 of the FDD is amended to add the following:

> Indiana Code 23-2-2.7-1(7) makes it unlawful for us to unilaterally terminate your Franchise Agreement unless there is a material violation of the Franchise Agreement and termination is not in bad faith.
>
> Indiana Code 23-2-2.7-1(5) prohibits us to require you to agree to a prospective general release of claims subject to the Indiana Deceptive Franchise Practices Act.

The "Summary" column in Item 17.r. of the FDD is deleted and the following is inserted in its place:

No competing business for two years within the Territory.

The "Summary" column in Item 17.t. of the FDD is deleted and the following is inserted in its place:

> Notwithstanding anything to the contrary in this provision, you do not waive any right under the Indiana Statutes with regard to prior representations made by us.

The "Summary" column in Item 17.v. of the FDD is deleted and the following is inserted in its place:

> Litigation regarding Franchise Agreement in Indiana; other litigation in Franchisor's Choice of Law State. This language has been included in this Franchise Disclosure Document as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all venue provisions, is fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

The "Summary" column in Item 17.w. of the FDD is deleted and the following is inserted in its place:

> Indiana law applies to disputes covered by Indiana franchise laws; otherwise Franchisor's Choice of Law State law applies.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Indiana:

1. The laws of the State of Indiana supersede any provisions of the FDD, the Franchise Agreement, or Franchisor's Choice of Law State law, if such provisions are in conflict with Indiana law.

2. The prohibition by Indiana Code 23-2-2.7-1(7) against unilateral termination of the Franchise without good cause or in bad faith, good cause being defined under law as including any material breach of the Franchise Agreement, will supersede the provisions of the Franchise Agreement relating to termination for cause, to the extent those provisions may be inconsistent with such prohibition.

3. Any provision in the Franchise Agreement that would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Indiana Deceptive Franchise Practices Law is void to the extent that such provision violates such law.

4. The covenant not to compete that applies after the expiration or termination of the Franchise Agreement for any reason is hereby modified to the extent necessary to comply with Indiana Code 23-2-2.7-1 (9).

5. The following provision will be added to the Franchise Agreement:

> No Limitation on Litigation. Despite the foregoing provisions of this Agreement, any provision in the Agreement which limits in any manner whatsoever litigation brought for breach of the Agreement will be void to the extent that any such contractual provision violates the Indiana Deceptive Franchise Practices Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IOWA

Any provision in the Franchise Agreement or Compliance Questionnaire which would require you to prospectively assent to a release, assignment, novation, waiver or estoppel which purports to relieve any person from liability imposed by the Iowa Business Opportunity Promotions Law (Iowa Code Ch. 551A) is void to the extent that such provision violates such law.

The following language will be added to the Franchise Agreement:

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within three business days from the above date. If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within ten business days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be cancelled.

If you cancel, you must make available to the seller at your residence or business address, in substantially as good condition as when received, any goods delivered to you under this contract or sale; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do not agree to return the goods to the seller or if the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice to HerWay Health Franchise, LLC, 2035 Corte Del Nogal, Suite 160, Carlsbad, California 92011 not later than midnight of the third business day after the Effective Date.

I hereby cancel this transaction.

Franchisee: _____

By: _____

Print Name: _____

Its: _____

Date: _____

MARYLAND

AMENDMENTS TO FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENTS AND AREA DEVELOPMENT AGREEMENT

Item 17 of the FDD and the Franchise Agreement are amended to state: "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."

Representations in the Franchise Agreement and Area Development Agreement 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.

Item 17 of the FDD and sections of the Franchise Agreement and Area Development Agreement are amended to state that you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the Franchise.

The Franchise Agreement and Franchise Disclosure Questionnaire are amended to state that 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.

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

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MICHIGAN

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

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

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

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

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

(d) A provision that permits us to refuse to renew your Franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration of your inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to us 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 years; and (ii) you are prohibited by the Franchise Agreement 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 you do not receive at least six months' advance notice of our intent not to renew the Franchise.

(e) A provision that permits us 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 the State of Michigan. This shall not preclude you from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

(i) the failure of the proposed transferee to meet our then-current reasonable qualifications or standards.

(ii) the fact that the proposed transferee is a competitor of us or our subfranchisor.

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

(iv) your or proposed transferee's failure to pay any sums owing to us or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to us items that are not uniquely identified with us. This subdivision does not prohibit a provision that grants to us 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 us the right to acquire the assets of a Franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits us to directly or indirectly convey, assign, or otherwise transfer our obligations to fulfill contractual obligations to you 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.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise
670 Law Building
525 W. Ottawa Street
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Despite anything to the contrary in the Franchise Agreement, the following provisions will supersede and apply to all Franchises offered and sold in the State of Minnesota:

1. Any provision in the Franchise Agreement which would require you to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22 will be void to the extent that such contractual provision violates such law.

2. Minnesota Statute Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the FDD or Franchise

Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of Minnesota.

3. Minn. Rule Part 2860.4400J prohibits a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes. Any provision in the Franchise Agreement which would require you to waive your rights to any procedure, forum or remedies provided for by the laws of the State of Minnesota is deleted from any agreement relating to Franchises offered and sold in the State of Minnesota; provided, however, that this paragraph will not affect the obligation in the Franchise Agreement relating to arbitration.

4. With respect to Franchises governed by Minnesota law, we will comply with Minnesota Statute Section 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement; and that consent to the transfer of the Franchise will not be unreasonably withheld.

5. Item 13 of the FDD is hereby amended to state that we will protect your rights under the Franchise Agreement to use the Marks, or indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit or demand regarding your use of the Marks, if your use of the Marks is in compliance with the provisions of the Franchise Agreement and our System standards.

6. Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release. As a result, the FDD and the Franchise Agreement, which require you to sign a general release prior to renewing or transferring your Franchise, are hereby deleted from the Franchise Agreement, to the extent required by Minnesota law.

7. The following language will appear as a new paragraph of the Franchise Agreement:

No Abrogation. Pursuant to Minnesota Statutes, Section 80C.21, nothing in the dispute resolution section of this Agreement will in any way abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80.C.

8. Minnesota Statute Section 80C.17 states that no action for a violation of Minnesota Statutes, Sections 80C.01 to 80C.22 may be commenced more than three years after the cause of action accrues. To the extent that the Franchise Agreement conflicts with Minnesota law, Minnesota law will prevail.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NSF checks are governed by Minnesota Statute 604.113, which puts a cap of $30 on service charges.

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 SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW

YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT 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:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, 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 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.

4. 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.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

> The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements - No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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

NORTH DAKOTA

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring that you sign a general release, estoppel or waiver as a condition of renewal and/or assignment may not be enforceable as they relate to releases of the North Dakota Franchise Investment Law.

Sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Therefore, provisions of the FDD (including Item 17(v)), the Franchise Agreement (including Section 28.4), and the Supplemental Agreements relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any section of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to liquidated damages and/or termination penalties may not be enforceable under Section

51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Any sections of the FDD, the Franchise Agreement, and the Supplemental Agreements requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

Item 17(r) of the FDD and Section 18 of the Franchise Agreement disclose the existence of certain covenants restricting competition to which Franchisee must agree. The Commissioner has held that covenants restricting competition contrary to Section 9-08-06 of the North Dakota Century Code, without further disclosing that such covenants may be subject to this statue, are unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The FDD and the Franchise Agreement are amended accordingly to the extent required by law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

OHIO

The following language will be added to the front page of the Franchise Agreement:

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Initials_____Date_____

NOTICE OF CANCELLATION

_____ (enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other

written notice to HerWay Health Franchise, LLC, 2035 Corte Del Nogal, Suite 160, Carlsbad, California 92011 not later than midnight of the fifth business day after the Effective Date.

I hereby cancel this transaction.

Franchisee:

Date: _____

By: _____
Print Name: _____
Its: _____

RHODE ISLAND

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act." The FDD, the Franchise Agreement, and the Supplemental Agreements are amended accordingly to the extent required by law.

The above language has been included in this FDD as a condition to registration. The Franchisor and the Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement and the Supplemental Agreements, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement, the Supplemental Agreements, and all other documents signed by them, including, but not limited to, all venue, choice-of-law, arbitration provisions and other dispute avoidance and resolution provisions and to rely on federal pre-emption under the Federal Arbitration Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA

Item 17(h). The following is added to Item 17(h):

"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 or Supplemental Agreements involve the use of undue influence by the Franchisor to induce a franchisee to surrender any rights given to franchisee under the Franchise, that provision may not be enforceable."

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the FDD for HerWay Health Franchise, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 8 and 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 does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, AREA DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. **Site of Arbitration, Mediation, and/or Litigation.** In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold

harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor.

    As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned parties do hereby acknowledge receipt of this Addendum.

Dated this _____ day of _____20_____.

Signature of Franchisor Representative	Signature of Franchisee Representative
Title of Franchisor Representative	Title of Franchisee Representative

WISCONSIN

The Wisconsin Fair Dealership Law, Chapter 135 of the Wisconsin Statutes supersedes any provision of the Franchise Agreement if such provision is in conflict with that law. The Franchise Disclosure Document, the Franchise Agreement and the Supplemental Agreements are amended accordingly.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

(Signatures on following page)

APPLICABLE ADDENDA

If any one of the preceding Addenda for specific states ("Addenda") is checked as an "Applicable Addenda" below, then that Addenda shall be incorporated into the Franchise Disclosure Document, Franchise Agreement and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Franchise Disclosure Document, Franchise Agreement and other specified agreement(s), the terms of the Applicable Addenda shall supersede the terms of the Franchise Agreement.

☐ California	☐ Michigan	☐ Rhode Island
☐ Hawaii	☐ Minnesota	☐ South Dakota
☐ Illinois	☐ New York	☐ Virginia
☐ Iowa	☐ North Dakota	☐ Washington
☐ Indiana	☐ Ohio	☐ Wisconsin
☐ Maryland		

Dated: _____ , 20____

FRANCHISOR:

HERWAY HEALTH FRANCHISE, LLC

Sign:
Printed Name:
Title:

FRANCHISEE:

_____

Sign:
Printed Name:
Title:

Rev. 112025

EXHIBIT H

CONTRACTS FOR USE WITH THE HERWAY FRANCHISE

The following contracts contained in Exhibit H are contracts that Franchisee is required to utilize or execute after signing the Franchise Agreement in the operation of the Herway Franchise. The following are the forms of contracts that HerWay Health Franchise, LLC uses as of the Issuance Date of this Franchise Disclosure Document. If they are marked "Sample," they are subject to change at any time.

EXHIBIT H-1

HERWAY FRANCHISE

SAMPLE GENERAL RELEASE AGREEMENT

WAIVER AND RELEASE OF CLAIMS

This Waiver and Release of Claims ("Release") is made as of _____, 20___ by _____, a(n) _____ ("Franchisee"), and each individual holding an ownership interest in Franchisee (collectively with Franchisee, "Releasor") in favor of HerWay Health Franchise, LLC, a Delaware limited liability company ("Franchisor," and together with Releasor, the "Parties").

WHEREAS, Franchisor and Franchisee have entered into a Franchise Agreement ("Agreement") pursuant to which Franchisee was granted the right to own and operate a Herway Franchise;

WHEREAS, (Franchisee has notified Franchisor of its desire to transfer the Agreement and all rights related thereto, or an ownership interest in Franchisee, to a transferee/enter into a successor franchise agreement/amend the Agreement) or **(the Agreement is being terminated/or indicate other reason for the requirement of this waiver and release)**, and Franchisor has consented to such **(transfer/successor franchise agreement/amendment/termination/other reason)**; and

WHEREAS, as a condition to Franchisor's consent to **(transfer the Agreement/enter into a successor franchise agreement/amend the Agreement/terminate the Agreement/other reason)**, Releasor has agreed to execute this Release upon the terms and conditions stated below.

NOW, THEREFORE, in consideration of Franchisor's consent, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and intending to be legally bound, Releasor hereby agrees as follows:

1. Representations and Warranties. Releasor represents and warrants that it is duly authorized to enter into this Release and to perform the terms and obligations herein contained, and has not assigned, transferred, or conveyed, either voluntarily or by operation of law, any of its rights or claims against Franchisor or any of the rights, claims, or obligations being terminated and released hereunder. Each individual executing this Release on behalf of Franchisee represents and warrants that he/she is duly authorized to enter into and execute this Release on behalf of Franchisee. Releasor further represents and warrants that all individuals that currently hold a direct or indirect ownership interest in Franchisee are signatories to this Release.

2. Release. Releasor and its subsidiaries, affiliates, parents, divisions, successors and assigns, and all persons or firms claiming by, through, under, or on behalf of any or all of them, hereby release, acquit, and forever discharge Franchisor, any and all of its affiliates, parents, subsidiaries, or related companies, divisions, and partnerships, and its and their past and present officers, directors, agents, partners, shareholders, employees, representatives, successors and assigns, and attorneys, and the spouses of such individuals (collectively, the "Released Parties"), from any and all claims, liabilities, damages, expenses, actions, or causes of action which Releasor may now have or has ever had, whether known or unknown, past or present, absolute or contingent, suspected or unsuspected, of any nature whatsoever, including without limiting the generality of the foregoing, all claims, liabilities, damages, expenses, actions, or causes of action directly or indirectly arising out of or relating to the execution and performance of the Agreement and the offer and sale of the franchise related thereto, except to the extent such liabilities are payable by the applicable indemnified party

in connection with a third-party claim. Releasor represents and warrants to the Released Parties, and agrees, that it may later learn of new or different facts, but that still, it is Releasor's intention to fully, finally, and forever release all of the claims that are released above. This includes the Releasor's waiver of state laws that might apply to limit a release (such as Calif. Civil Code Section 1542, which states that "[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor").

3. Nondisparagement. Releasor expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit, or deprecate any of the Released Parties or otherwise communicate with any person or entity in a manner intending to damage any of the Released Parties, their business, or their reputation.

4. Confidentiality. Releasor agrees to hold in strictest confidence and not disclose, publish, or use the existence of, or any details relating to, this Release to any third party without Franchisor's express written consent, except as required by law.

5. Miscellaneous.

a. Releasor agrees that it has read and fully understands this Release and that the opportunity has been afforded to Releasor to discuss the terms and contents of said Release with legal counsel and/or that such a discussion with legal counsel has occurred.

b. This Release shall be construed and governed by the laws of the State where the Franchisee's clinic is located apply, subject to applicable state law.

c. Each individual and entity that comprises Releasor shall be jointly and severally liable for the obligations of Releasor.

d. In the event that it shall be necessary for any Party to institute legal action to enforce or for the breach of any of the terms and conditions or provisions of this Release, the prevailing Party in such action shall be entitled to recover all of its reasonable costs and attorneys' fees.

e. All of the provisions of this Release shall be binding upon and inure to the benefit of the Parties and their current and future respective directors, officers, partners, attorneys, agents, employees, shareholders, and the spouses of such individuals, successors, affiliates, and assigns. No other party shall be a third-party beneficiary to this Release.

f. This Release constitutes the entire agreement and, as such, supersedes all prior oral and written agreements or understandings between and among the Parties regarding the subject matter hereof. This Release may not be modified except in a writing signed by all of the Parties. This Release may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same document.

g. If one or more of the provisions of this Release shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect or impair any other provision of this Release, but this Release shall be construed as if such invalid, illegal, or unenforceable provision had not been contained herein.

h. Releasor agrees to do such further acts and things and to execute and deliver such additional agreements and instruments as any Released Party may reasonably require to consummate, evidence, or confirm the Release contained herein in the matter contemplated hereby.

i. This Release is inapplicable with respect to claims arising under the Washington Franchise Investment Protection Act, chapter 19.100 RCW, and the rules adopted thereunder in accordance with RCW 19.100.220.

IN WITNESS WHEREOF, Releasor has executed this Release as of the date first written above.

FRANCHISEE:

_____, a
_____

Sign:
Printed Name:
Title:

FRANCHISEE'S OWNERS:

Sign:
Printed Name:
Date:

Sign:
Printed Name:
Date:

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EXHIBIT H-2

HERWAY FRANCHISE

SAMPLE SYSTEM PROTECTION AGREEMENT

This System Protection Agreement ("SP Agreement") is entered into by the undersigned ("you" or "your") in favor of HerWay Health Franchise, LLC, a Delaware limited liability company, and its successors and assigns ("us," "we," or "our"), upon the terms and conditions set forth in this SP Agreement.

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

"Competitive Business" means any business that: (i) sells or offers to sell products the same as or similar to the type of products sold by the Franchised Business; or (ii) provides or offers to provide services the same as or similar to the type of services sold by you, but excludes a Franchised Business operating under a franchise agreement with us. A Competitive Business shall not include ownership of up to five percent (5%) of any publicly held company or mutual fund that owns, operates, has an interest in, or controls any business that otherwise would meet the definition of a Competitive Business.

"Copyrights" means all works and materials for which we or our affiliate have secured common law or registered copyright protection and that we allow franchisees to use, sell, or display in connection with the marketing and/or operation of a Herway Business or the solicitation or offer of a Herway franchise, whether now in existence or created in the future.

"Franchisee" means the Herway franchisee for which you are a manager or officer.

"Franchisee Territory" means the territory granted to you pursuant to a franchise agreement with us.

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

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Herway Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Herway Business, which may be periodically modified by us.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Herway Business, including "Herway," and any other trademarks, service marks, or trade names that we designate for use by a Herway Business. The term "Marks" also includes any distinctive trade dress used to identify a Herway Business, whether now in existence or hereafter created.

"Prohibited Activities" means any or all of the following: (i) owning, operating, or having any other interest (as an owner, partner, director, officer, employee, manager, consultant, shareholder, creditor, representative, agent, or in any similar capacity) in a Competitive Business (other than owning an interest of five percent (5%) or less in a publicly-traded company that is a Competitive Business); (ii) diverting or attempting to divert any business from us (or one of our affiliates or franchisees); and/or (iii) inducing or attempting to induce any customer of ours (or of one of our affiliates or franchisees) to transfer their business to you or to any other person that is not then a franchisee of ours.

"Restricted Period" means the one-year period after the termination, expiration or Transfer of this Franchise Agreement; provided, however, that if a court of competent jurisdiction determines that this period of time is too long to be enforceable, then the "Restricted Period" means the six-month period after you cease to be a manager or officer of Franchisee's Herway Business.

"Restricted Territory" means the geographic area within: (i) a 10-mile radius of the Premises; and (ii) a 10-mile radius from all other Premises that are operating or under construction as of the date of the termination, expiration or Transfer of this Franchise Agreement; provided, however, that if a court of competent jurisdiction determines that the foregoing Restricted Territory is too broad to be enforceable, then the "Restricted Territory" means the geographic area within a five-mile radius from Franchisee's Herway Business (and including the premises of the approved location of Franchisee).

"System" means our system for the establishment, development, operation, and management of a Herway Business, including Know-how, proprietary programs and products, Manual, and operating system.

2. Background. You are a manager or officer of Franchisee. As a result of this relationship, you may gain knowledge of our System. You understand that protecting the Intellectual Property and our System are vital to our success and that of our franchisees and that you could seriously jeopardize our entire System if you were to unfairly compete with us. In order to avoid such damage, you agree to comply with the terms of this SP Agreement.

3. Know-How and Intellectual Property. You agree: (i) you will not use the Know-how in any business or capacity other than the Herway Business operated by Franchisee; (ii) you will maintain the confidentiality of the Know-how at all times; (iii) you will not make unauthorized copies of documents containing any Know-how; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Know-how; and (v) you will stop using the Know-how immediately if you are no longer a manager or officer of Franchisee's Herway Business. You further agree that you will not use all or part of the Intellectual Property or all or part of the System for any purpose other than the performance of your duties for Franchisee and within the scope of your employment or other engagement with Franchisee. These restrictions on Know-how, Intellectual Property and the System shall not apply to any information which is information publicly known or becomes lawfully known in the public domain other than through a breach of this SP Agreement or is required or compelled by law to be disclosed, provided that you will give reasonable notice to us to allow us to seek protective or other court orders.

4. Unfair Competition During Relationship. You agree not to unfairly compete with us at any time while you are a manager or officer of Franchisee's Herway Business by engaging in any Prohibited Activities.

5. Unfair Competition After Relationship. You agree not to unfairly compete with us during the Restricted Period by engaging in any Prohibited Activities; provided, however, that the Prohibited Activity relating to having an interest in a Competitive Business will only apply with respect to a Competitive Business that is located within or provides competitive goods or services to customers who are located within the Restricted Territory. If you engage in any Prohibited Activities during the Restricted Period, then you agree that your Restricted Period will be extended by the period of time during which you were engaging in the Prohibited Activity.

6. Immediate Family Members. You acknowledge that you could circumvent the purpose of this SP Agreement by disclosing Know-how to an immediate family member (i.e., spouse, parent, sibling, child, grandparent or grandchild). You also acknowledge that it would be difficult for us to prove whether you disclosed the Know-how to family members. Therefore, you agree that you will be presumed to have violated the terms of this SP Agreement if any member of your immediate family: (i) engages in any Prohibited Activities during any period of time during which you are prohibited from engaging in the

Prohibited Activities; or (ii) uses or discloses the Know-how. However, you may rebut this presumption by furnishing evidence conclusively showing that you did not disclose the Know-how to the family member.

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

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

9. Miscellaneous.

a. If we pursue legal remedies against you because you have breached this SP Agreement and prevail against you, you agree to pay our reasonable attorneys' fees and costs in doing so.

b. This SP Agreement will be governed by, construed, and enforced under the laws of the state where the Franchisee's clinic is located apply, subject to applicable state law., and the courts in that state shall have jurisdiction over any legal proceedings arising out of this SP Agreement.

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

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

(Signature on following page)

EXECUTED on the date stated below.

Sign:
Printed Name:
Date:

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EXHIBIT H-3

HERWAY FRANCHISE

SAMPLE CONFIDENTIALITY AGREEMENT

This Confidentiality Agreement ("Confidentiality Agreement") is entered into by the undersigned ("you") in favor of HerWay Health Franchise, LLC, a Delaware limited liability company, and its successors and assigns ("us"), upon the terms and conditions set forth in this Confidentiality Agreement.

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

"Copyrights" means all works and materials for which we or our affiliate(s) have secured common law or registered copyright protection and that we allow Herway franchisees to use, sell, or display in connection with the marketing and/or operation of a Herway Business, whether now in existence or created in the future.

"Franchisee" means the Herway franchisee for which you are an employee, independent contractor, agent, representative, or supplier.

"Herway Business" means a business that: (i) provides healthcare services to women ("Patients"), including sexual wellness, hormone optimization, aesthetics, regenerative medicine, peptide therapy and intravenous infusion/therapy; and (ii) similar non-critical healthcare services, goods, and medications using our Intellectual Property.

"Intellectual Property" means, collectively or individually, our Marks, Copyrights, Know-how, Manual, and System.

"Know-how" means all of our trade secrets and other proprietary information relating to the development, construction, marketing, and/or operation of a Herway Business, including, but not limited to, methods, techniques, specifications, proprietary practices and procedures, policies, marketing strategies, and information comprising the System and the Manual.

"Manual" means our confidential operations manual for the operation of a Herway Business.

"Marks" means the logotypes, service marks, and trademarks now or hereafter involved in the operation of a Herway Business, including "Herway" and any other trademarks, service marks, or trade names that we designate for use by a Herway Business. The term "Marks" also includes any distinctive trade dress used to identify a Herway Business, whether now in existence or hereafter created.

"System" means our system for the establishment, development, operation, and management of a Herway Business, including Know-how, proprietary programs and products, confidential operations manuals, and operating system.

2. Background. You are an employee, independent contractor, agent, representative, or supplier of Franchisee. Because of this relationship, you may gain knowledge of our Intellectual Property. You understand that protecting the Intellectual Property is vital to our success and that of our franchisees, and that you could seriously jeopardize our entire Franchise System if you were to use such Intellectual Property in any way other than as described in this Confidentiality Agreement. In order to avoid such damage, you agree to comply with this Confidentiality Agreement.

3. Know-How and Intellectual Property: Nondisclosure and Ownership. You agree: (i) you will not use the Intellectual Property in any business or capacity other than for the benefit of the

Herway Business operated by Franchisee or in any way detrimental to us or to the Franchisee; (ii) you will maintain the confidentiality of the Intellectual Property at all times; (iii) you will not make unauthorized copies of documents containing any Intellectual Property; (iv) you will take such reasonable steps as we may ask of you from time to time to prevent unauthorized use or disclosure of the Intellectual Property; and (v) you will stop using the Intellectual Property immediately if you are no longer an employee, independent contractor, agent, representative, or supplier of Franchisee. You further agree that you will not use the Intellectual Property for any purpose other than performing your duties for Franchisee and within the scope of your employment or other engagement with Franchisee.

The Intellectual Property is and shall continue to be the sole property of HerWay Health Franchise, LLC. You hereby assign and agree to assign to us any rights you may have or may acquire in such Intellectual Property. Upon the termination of your employment or engagement with Franchisee, or at any time upon our or Franchisee's request, you will deliver to us or to Franchisee all documents and data of any nature pertaining to the Intellectual Property, and you will not take with you any documents or data or copies containing or pertaining to any Intellectual Property.

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

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

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

7. Miscellaneous.

a. Although this Confidentiality Agreement is entered into in favor of HerWay Health Franchise, LLC, you understand and acknowledge that your employer/employee, independent contractor,

agent, representative, or supplier relationship is with Franchisee and not with us, and for all purposes in connection with such relationship, you will look to Franchisee and not to us.

b. If we pursue legal remedies against you because you have breached this Confidentiality Agreement and prevail against you, you agree to pay our reasonable attorney fees and costs in doing so.

c. This Confidentiality Agreement will be governed by, construed, and enforced under the laws of the state where the Franchisee's Herway Business is located, subject to applicable state law, and the courts in that state shall have jurisdiction over any legal proceedings arising out of this Confidentiality Agreement.

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

EXECUTED on the date stated below.

Sign:
Printed Name:
Date:

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EXHIBIT H-4

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION FORM

Franchisee Information:

Franchisee Name	Business No.
Franchisee Mailing Address (street)	Franchisee Phone No.
Franchisee Mailing Address (city, state, zip)	
Contact Name, Address and Phone number (if different from above)	
Franchisee Fax No.	Franchisee Email Address

Bank Account Information:

Bank Name		
Bank Mailing Address (street, city, state, zip)		
Bank Account No.	☐ Checking ☐ Savings (check one)	Bank Routing No. (9 digits)
Bank Mailing Address (city, state, zip)		Bank Phone No.

Authorization:

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

Sign:
Printed Name:
Title:
Date:
Federal Tax ID:

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

EXHIBIT H-5

HERWAY FRANCHISE

SAMPLE APPROVAL OF REQUESTED ASSIGNMENT

This Approval of Requested Assignment ("Approval Agreement") is entered into on _____, 20_____, between HerWay Health Franchise, LLC ("Franchisor"), a Delaware limited liability company, _____ ("Former Franchisee"), the undersigned owners of Former Franchisee ("Owners") and _____, a _____ _____ ("New Franchisee").

RECITALS

WHEREAS, Franchisor and Former Franchisee entered into that certain franchise agreement dated _____, 20_____ ("Former Franchise Agreement"), in which Franchisor granted Former Franchisee the right to operate a Herway franchise located at _____ ("Franchised Business"); and

WHEREAS, Former Franchisee desires to assign ("Requested Assignment") the Franchised Business to New Franchisee, New Franchisee desires to accept the Requested Assignment of the Franchised Business from Former Franchisee, and Franchisor desires to approve the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon the terms and conditions contained in this Approval Agreement, including that New Franchisee sign Franchisor's current form of franchise agreement together with all exhibits and attachments thereto ("New Franchise Agreement"), contemporaneously herewith.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements herein contained, the parties hereto hereby covenant, promise, and agree as follows:

1. Payment of Fees. In consideration for the Requested Assignment, Former Franchisee acknowledges and agrees to pay Franchisor the Transfer Fee, as required under the Franchise Agreement ("Franchisor's Assignment Fee").

2. Assignment and Assumption. Former Franchisee hereby consents to assign all of its rights and delegate its duties with regard to the Former Franchise Agreement and all exhibits and attachments thereto from Former Franchisee to New Franchisee, subject to the terms and conditions of this Approval Agreement, and conditioned upon New Franchisee's signing the New Franchise Agreement pursuant to Section 5 of this Approval Agreement.

3. Consent to Requested Assignment of Franchised Business. Franchisor hereby consents to the Requested Assignment of the Franchised Business from Former Franchisee to New Franchisee upon receipt of the Franchisor's Assignment Fee from Former Franchisee and the mutual execution of this Approval Agreement by all parties. Franchisor waives its right of first refusal set forth in the Former Franchise Agreement.

4. Termination of Rights to the Franchised Business. The parties acknowledge and agree that effective upon the date of this Approval Agreement, the Former Franchise Agreement shall terminate and all of Former Franchisee's rights to operate the Franchised Business are terminated and that from the date of this Approval Agreement only New Franchisee shall have the sole right to operate the Franchised Business under the New Franchise Agreement. Former Franchisee and the undersigned Owners agree to

comply with all of the covenants in the Former Franchise Agreement that expressly or by implication survive the termination, expiration, or transfer of the Former Franchise Agreement. Unless otherwise precluded by state law, Former Franchisee shall execute Franchisor's current form of General Release Agreement.

5. New Franchise Agreement. New Franchisee shall execute the New Franchise Agreement for the Franchised Business (as amended by the form of Addendum prescribed by Franchisor, if applicable), and any other required contracts for the operation of a Clinic franchise as stated in Franchisor's Franchise Disclosure Document.

6. Former Franchisee's Contact Information. Former Franchisee agrees to keep Franchisor informed of its current address and telephone number at all times during the three-year period following the execution of this Approval Agreement.

7. Acknowledgement by New Franchisee. New Franchisee acknowledges and agrees that the purchase of the rights to the Franchised Business ("Transaction") occurred solely between Former Franchisee and New Franchisee. New Franchisee also acknowledges and agrees that Franchisor played no role in the Transaction and that Franchisor's involvement was limited to approving the Requested Assignment and any required actions regarding New Franchisee's signing of the New Franchise Agreement for the Franchised Business. New Franchisee agrees that any claims, disputes, or issues relating to New Franchisee's acquisition of the Franchised Business from Franchisee are between New Franchisee and Former Franchisee and shall not involve Franchisor.

8. Representation. Former Franchisee warrants and represents that it has not heretofore assigned, conveyed, or disposed of any interest in the Former Franchise Agreement or Franchised Business. New Franchisee hereby represents that it received Franchisor's Franchise Disclosure Document and did not sign the New Franchise Agreement or pay any money to Franchisor or its affiliate for a period of at least 14 calendar days after receipt of the Franchise Disclosure Document.

9. Notices. Any notices given under this Approval Agreement shall be in writing, and if delivered by hand, or transmitted by U.S. certified mail, return receipt requested, postage prepaid, or via telegram or telefax, shall be deemed to have been given on the date so delivered or transmitted, if sent to the recipient at its address or telefax number appearing on the records of the sending party.

10. Further Actions. Former Franchisee and New Franchisee each agree to take such further actions as may be required to effectuate the terms and conditions of this Approval Agreement, including any and all actions that may be required or contemplated by the Former Franchise Agreement.

11. Affiliates. When used in this Approval Agreement, the term "Affiliates" has the meaning as given in Rule 144 under the Securities Act of 1933.

12. Miscellaneous. This Approval Agreement may not be changed or modified except in a writing signed by all of the parties hereto. This Approval Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same document. This Approval Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

13. Governing Law. This Approval Agreement shall be governed by, and construed and enforced in accordance with, the laws of the state where Franchised Business is located applies, subject to applicable state law.

IN WITNESS WHEREOF, the parties have executed this Approval Agreement under seal, with the intent that this be a sealed instrument, as of the day and year first above written.

FRANCHISOR:

HERWAY HEALTH FRANCHISE, LLC

Sign:
Printed Name:
Title:

FORMER FRANCHISEE:

_____

Sign:
Printed Name:
Title:

NEW FRANCHISEE:

_____

Sign:
Printed Name:
Title:

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EXHIBIT H-6

HERWAY FRANCHISE

LEASE ADDENDUM

This Addendum to Lease ("**Addendum**"), dated _____, 20___, is entered into by and between _____ ("**Landlord**"), _____ ("**Tenant**") and _____ ("**Franchisor**"), collectively referred to herein as the "**Parties**."

A. Landlord and Tenant have entered into a certain Lease Agreement dated _____, 20___, and pertaining to the premises located at _____ ("**Lease**").

B. Landlord acknowledges that Tenant intends to operate a franchised business from the leased premises ("**Premises**") pursuant to a Franchise Agreement ("**Franchise Agreement**") with Franchisor under Franchisor's trademarks and other names designated by Franchisor (herein referred to as "**Franchised Business**" or "**Franchise Business**").

C. The parties now desire to supplement the terms of the Lease in accordance with the terms and conditions contained herein.

NOW, THEREFORE, it is hereby mutually covenanted and agreed among the Parties as follows:

1. Use of the Premises. During the term of the Franchise Agreement, the Premises shall be used only for the operation of the Franchised Business.

2. Franchise System. Landlord hereby consents to Tenant's use of such proprietary marks, signs, interior and exterior décor items, color schemes and related components of the Franchised Business required by Franchisor. Tenant's use of such items shall at all times be in compliance with all applicable laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises.

3. Assignment. Tenant shall have the right, without further consent from Landlord, to sublease or assign all of Tenant's right, title, and interest in the Lease to a Franchise Assignee (defined below) at any time during the term of the Lease, including any extensions or renewals thereof. In addition, if Tenant fails to timely cure any default under either the Lease or the Franchise Agreement, a Franchise Assignee will, at its option, have the right, but not the obligation, to take an assignment of Tenant's interest under the Collateral Assignment of Lease or other form of assignment and assumption document reasonably acceptable to Landlord, provided such Franchise Assignee cures any then-existing material defaults of the Lease no later than ten days following the end of Tenant's cure period. No assignment shall be effective until: (i) the Franchise Assignee gives Landlord written notice of its acceptance of the assignment and assumption of the Lease; and (ii) Tenant or the Franchise Assignee has cured all material defaults of the Lease for which it has received notice from Landlord. Nothing contained herein or in any other document shall create any obligation or liability of Franchisor, any Franchise Assignee, or guarantor thereof under the Lease unless and until the Lease is assigned to, and accepted in writing by a Franchise Assignee. In the event of any assignment or purported assignment under this Addendum, Tenant shall remain liable under the terms of the Lease and the assignee or subtenant shall retain all of the Tenant's rights granted in the Lease including without limitation: (x) any grant of a protected territory or use exclusivity; and (y) the

renewal or extension of the Lease term. With respect to any assignment proposed or consummated under this Addendum, Landlord hereby waives any rights it may have to: (A) recapture the Premises; (B) terminate the Lease; or (C) modify any terms or conditions of the Lease. If Franchisor accepts an assignment and assumes the Lease under this section, Franchisor shall have the right to further sublet or reassign the Lease to another Franchise Assignee without Landlord's consent in which event Franchisor shall be released from any obligation or liability under the Lease. As used in this Addendum, "**Franchise Assignee**" means: (i) Franchisor or Franchisor's parent, subsidiary, or affiliate; or (ii) any franchisee of Franchisor or of Franchisor's parent, subsidiary, or affiliate.

4. Default and Notice.

a. If Tenant defaults on or breaches the Lease and Landlord delivers a notice of default to Tenant, Landlord shall contemporaneously send a copy of such default notice to Franchisor. Franchisor shall have the right, but not the obligation, to cure the default during Tenant's cure period plus an additional ten (10) day period. Franchisor will notify Landlord whether it intends to cure the default prior to the end of Tenant's cure period.

b. All notices to Franchisor shall be sent by a reputable overnight delivery service to the following address:

HerWay Health Franchise, LLC
2035 Corte Del Nogal, Suite 160
Carlsbad, California 92011

Franchisor may change its address for receiving notices by giving Landlord written notice of the new address. Landlord agrees that it will notify both Tenant and Franchisor of any change in Landlord's mailing address to which notices should be sent.

c. Tenant and Landlord agree not to terminate, or materially amend the Lease during the term of the Franchise Agreement or any renewal thereof without Franchisor's prior written consent. Any attempted termination, or material amendment shall be null and void and have no effect as to Franchisor's interests thereunder; and a clause to the effect shall be included in the Lease.

5. Termination or Expiration.

a. If Franchisor does not elect to take an assignment of the Tenant's interest, Landlord will allow Franchisor to enter the Premises, without being guilty of trespass and without incurring any liability to Landlord, to remove all signs, awnings, and all other items identifying the Premises as a Franchised Business and to make other modifications (such as repainting) as are reasonably necessary to protect the Franchisor's trademarks and franchise system and to distinguish the Premises from a Franchised Business provided that Franchisor repairs any damage caused to the Premises by exercise of its rights hereunder.

b. If any Franchise Assignee purchases any assets of Tenant, Landlord shall permit such Franchise Assignee to remove all the assets being purchased, and Landlord waives any lien rights that Landlord may have on such assets.

6. Consideration; No Liability.

a. Landlord acknowledges that the Franchise Agreement requires Tenant to receive Franchisor's approval of the Lease prior to Tenant executing the Lease and that this Addendum is a material requirement for Franchisor to approve the Lease. Landlord acknowledges Tenant would not lease the

Premises without this Addendum. Landlord also hereby consents to the Collateral Assignment of Lease from Tenant to Franchisor as evidenced by Attachment 1.

b. Landlord further acknowledges that Tenant is not an agent or employee of Franchisor, and Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind Franchisor or any Franchise Assignee, and that Landlord has entered into this with full understanding that it creates no duties, obligations, or liabilities of or against any Franchise Assignee.

7. Amendments. No amendment or variation of this Addendum shall be valid unless made in writing and signed by the Parties hereto.

8. Reaffirmation of Lease. Except as amended or modified herein, all of the terms, conditions, and covenants of the Lease shall remain in full force and effect and are incorporated herein by reference and made a part of this Addendum as though copies herein in full.

IN TESTIMONY WHEREOF, witness the signatures of the Parties hereto as of the day, month, and year first written above.

LANDLORD:

_____

Sign:
Printed Name:
Title:

TENANT:

_____

Sign:
Printed Name:
Title:

FRANCHISOR:

_____

Sign:
Printed Name:
Title:

Rev. 112025

EXHIBIT H-6

ATTACHMENT 1 TO LEASE ADDENDUM

COLLATERAL ASSIGNMENT OF LEASE

FOR VALUE RECEIVED, as of the ___, 20___ ("**Effective Date**"), the undersigned, _____ ("**Assignor**") hereby assigns, transfers and sets over unto _____ ("**Assignee**") all of Assignor's right, title, and interest as tenant, in, to and under that certain lease, a copy of which is attached hereto as **Exhibit A** ("**Lease**") with respect to the premises located at _____. This Collateral Assignment of Lease ("**Assignment**") is for collateral purposes only and except as specified herein, Assignee shall have no liability or obligation of any kind whatsoever arising from or in connection with this Assignment unless Assignee expressly assumes the obligations of Assignor thereunder.

Assignor represents and warrants to Assignee that it has full power and authority to so assign the Lease and its interest therein, and that Assignor has not previously, and is not obligated to, assign or transfer any of its interest in the Lease or the premises demised thereby.

Upon a default by Assignor under the Lease or under that certain franchise agreement for a franchise between Assignee and Assignor ("**Franchise Agreement**"), or in the event of a default by Assignor under any document or instrument securing the Franchise Agreement, Assignee shall have the right and is hereby empowered, in Assignee's sole discretion, to: (i) cure Assignor's default of the Lease; (ii) take possession of the premises demised by the Lease; (iii) expel Assignor from the premises, either temporarily or permanently; (iv) terminate Assignor's rights, title, and interest in the Lease; and/or (v) assume the Lease. If Assignee expends sums to cure a default of the Lease, Assignor shall promptly reimburse Assignee for the cost incurred by Assignee in connection with such performance, together with interest thereon at the rate of two percent per month, or the highest rate allowed by law.

Assignor agrees it will not suffer or permit any surrender, termination, amendment, or modification of the Lease without the prior written consent of Assignee. Through the term of the Franchise Agreement and any renewals thereto, Assignor agrees that it shall elect and exercise all options to extend the term of or renew the Lease not less than 30 days before the last day that said option must be exercised, unless Assignee otherwise agrees in writing. Upon failure of Assignee to otherwise agree in writing, and upon failure of Assignor to so elect to extend or renew the Lease as stated herein, Assignor hereby irrevocably appoints Assignee as its true and lawful attorney-in-fact, which appointment is coupled with an interest to exercise the extension or renewal options in the name, place, and stead of Assignor for the sole purpose of effecting the extension or renewal.

(Signatures on following page)

IN WITNESS WHEREOF, Assignor and Assignee have signed this Collateral Assignment of Lease as of the Effective Date first above written.

ASSIGNOR:

Sign:
Printed Name:
Title:

ASSIGNEE:

Sign:
Printed Name:
Title:

Rev. 112025

EXHIBIT H-7

HERWAY FRANCHISE

SAMPLE MANAGEMENT SERVICES AND LICENSING AGREEMENT

This Management Services and Licensing Agreement (the "Agreement") is made, entered into, and effective as of [MONTH DAY, 202_] (the "Effective Date") by and among [FRANCHISEE/MSO], a [FRANCHISEE/MSO STATE] [FRANCHISEE/MSO ENTITY TYPE] ("Manager"), [PHYSICIAN/MEDICAL PROFESSIONAL], an individual ("Shareholder"), and [NAME OF PROFESSIONAL CORPORATION], a [State] professional medical corporation ("Practice"). Each of Manager, Shareholder, and Practice shall also be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

A. Practice is a professional medical corporation of the State of [STATE] (the "State") which operates a medical practice at [PRACTICE ADDRESS] (the "Operations"). Practice is principally focused on establishing a non-surgical pain relief and injury rehabilitation practice, and is in need of business consulting, accounting, administrative, technological, managerial, human resources, financial, intellectual property, and related services in order to appropriately provide such services to its patients.

B. Manager is engaged in the business of providing administrative and management services to healthcare entities and has the capacity to manage and administer the Operations of Practice and to furnish Practice with appropriate managerial, administrative, financial, and technological support (the "Administrative Services").

C. Manager also is the [tenant/owner] of medical office space ("Premises") that Manager is willing to [lease/sublease] to the Practice. Manager is also the owner of valuable medical equipment ("Medical Equipment") described in Exhibit 2.4 that will be useful to Practice in the Operations, and Manager is willing to lease such equipment to Practice (collectively with the Premises lease, the "Leases").

D. Manager is the licensee of valuable intellectual property and trademarks ("IP") described on Exhibit 4.1 hereto by virtue of and subject to the terms of its franchise agreement ("Franchise Agreement") with HerWay Health Franchise, LLC ("Franchisor") that will be useful to Practice in the branding development and ongoing expansion of its Operations. Manager is willing to sublicense IP to Practice ("Sublicense"), and Franchisor has approved the same, subject to the terms and conditions of this Agreement.

E. Shareholder as the sole shareholder and director of Practice, has undertaken a review of Franchisor's IP relating to the clinical model, services, and products developed by clinicians on behalf of Franchisor ("Clinical IP"). Based on Shareholder's detailed review of Clinical IP, Shareholder has endorsed and approves of all aspects of the Clinical IP, including without limitation all services and products.

F. Practice desires to focus its energies, expertise, and time on the delivery of medical services to patients. To accomplish this goal, Practice desires to engage Manager to provide it with the Administrative Services as are necessary and appropriate for the day-to-day administration and management of the Operations, and Manager desires to provide the Administrative Services to Practice, all upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the Parties, the Parties agree as follows:

TERMS OF AGREEMENT

1. ENGAGEMENT

1.1 Engagement of Manager. Practice hereby engages Manager to provide the Administrative Services for the Operations on the terms and conditions described herein, and Manager accepts such engagement. Manager shall be the sole and exclusive provider of the Administrative Services to be provided to or on behalf of Practice for the Operations. Manager in its sole discretion shall determine which Administrative Services shall be provided to Practice from time to time.

1.2 Agency. Practice hereby appoints Manager as Practice's true and lawful agent throughout the Term of this Agreement, and Manager hereby accepts such appointment.

1.3 Power of Attorney. In connection with billing, collection, banking, and related services incident to or under the Administrative Services to be provided hereunder, Practice, in accordance with applicable law, hereby grants to Manager an exclusive special power of attorney and appoints Manager as Practice's exclusive true and lawful agent and attorney-in-fact, and Manager hereby accepts such special power of attorney and appointment (the "Power of Attorney"), for the following purposes:

1.3.1 To submit bills in Practice's name and on Practice's behalf, including all claims for reimbursement or indemnification from health plans, all other third-party payors, and its patients for all medical services provided to patients.

1.3.2 To collect and deposit all amounts received, including all cash received, patient co-payments, cost reimbursements, co-insurance and deductibles, and accounts receivable, into the "Manager's Account," which shall be and at all times remain in Practice's name through accrual on Practice's accounting records.

1.3.3 To make demands with respect to, settle, and compromise such claims and to coordinate with collections agencies in the name of Practice or Manager, and to commence any suit, action or proceeding to collect any such claims.

1.3.4 To take possession of and endorse in the name of Practice on any note, check, money order, insurance payment or any other instrument received.

1.3.5 To effectuate the payment of Practice expenses, including to the Manager for the Management Fee as it becomes due.

1.3.6 To sign checks, drafts, bank notes or other instruments on behalf of Practice and to make withdrawals from the Manager's Account for other payments specified in this Agreement and as determined appropriate by the Manager.

1.4 Documentation to Bank. Upon request of Manager, Practice shall execute and deliver to the financial institution wherein the Manager's Account is maintained, such additional documents or instruments as may be necessary to evidence or effect the Power of Attorney. Practice will not take any action that interferes with the transfer of funds to or from Manager's Account, nor will Practice or its agents

remove, withdraw, or authorize the removal or withdrawal of any funds from the Manager's Account for any purpose.

1.5 Expiration of Power of Attorney. The Power of Attorney shall expire on the earlier of the date that (i) this Agreement is terminated or (ii) as otherwise determined by Manager.

2. DUTIES AND RESPONSIBILITIES OF MANAGER

2.1 General Responsibilities. During the Term of this Agreement, Manager shall, in its sole discretion, provide such services as are necessary and appropriate for the day-to-day administration and management of Practice's business in a manner consistent with good business practice, including without limitation: human resources, information technology, equipment and supplies, banking, accounting and finance, insurance procurement, risk management, contract negotiation, real estate management, marketing, management of patient records, and licensing of intellectual property, trade names and trademarks, as all are more specifically set forth below.

2.1.1 Personnel. Manager shall assist Practice to develop and implement guidelines and procedures for the recruitment, selection, hiring, firing, compensation, terms, conditions, obligations and privileges of employment or engagement of clinical and physician employees working for Practice. Manager will also assist Practice in recruiting new employees and will carry out such administrative functions as may be appropriate for such recruitment, including advertising for and identifying potential candidates, assisting Practice in examining and investigating the credentials of such potential candidates, and arranging interviews with such potential candidates. Practice will make the ultimate decision as to whether to employ or retain a specific candidate. Practice shall be solely responsible for compensating its employees. Practice expressly acknowledges its responsibility and liability to provide for the payment and withholding of appropriate amounts for income tax, social security, unemployment insurance, state disability insurance taxes, and any authorized payroll deductions from the paychecks of Practice personnel. Manager shall assist Practice with these administrative functions, as reasonably requested.

2.1.2 Manager Personnel. Manager shall employ or contract with and provide all necessary personnel it reasonably needs to provide the Administrative Services hereunder. Such personnel shall be under the direction, supervision, and control of Manager, and shall be employees of Manager. Manager shall be responsible for setting and paying the compensation and providing the fringe benefits of all Manager personnel.

2.1.3 Training. Manager shall provide reasonable training to Practice's personnel in all aspects of the Operations material to the role of such personnel, including but not limited to administrative, financial, and equipment maintenance matters. To the extent required by Franchisor, Practice shall attend all medical training required by the Franchise Agreement.

2.1.4 Insurance. Manager shall assist Practice in Practice's purchase of necessary insurance coverage.

2.1.5 Accounting. Manager shall establish and administer accounting procedures and controls and systems for the development, preparation, and keeping of records and books of accounting related to the business and financial affairs of Practice.

2.1.6 Tax Matters. Manager shall oversee the preparation of the annual report and tax information returns required to be filed by Practice. All of Practice's tax obligations shall be paid by Manager out of Practice's funds managed by Manager. Practice shall give to personnel of Manager (or its designated affiliate) all appropriate authority necessary for them to act as Practice's attorney-in-fact under

a power of attorney, for such purposes and to the extent permitted by law. Practice shall also make such reserves and set asides for taxes as directed by Manager throughout the year.

2.1.7 Reports and Information. Manager shall furnish Practice in a timely fashion, quarterly or more frequently, with operating reports and other business reports as reasonably requested by Practice, including without limitation (i) copies of bank statements and checks relating to Practice's bank accounts and (ii) financial statements.

2.1.8 Budgets. Manager shall prepare for review and approval by Practice all capital and annual operating budgets as needed, and such approval shall not be unreasonably withheld.

2.1.9 Expenditures. Manager shall manage all cash receipts and disbursements of Practice, including the payment on behalf of Practice for any of the items set forth in this Section 2, such as taxes, assessments, licensing fees, and other fees of any nature whatsoever in connection with the Operations as the same become due and payable, unless payment thereof is being contested in good faith by Practice.

2.1.10 Contract Negotiations. Manager shall advise Practice with respect to and negotiate, either directly or on Practice's behalf, as appropriate and permitted by applicable law, such contractual arrangements with third parties as are reasonably necessary and appropriate for Practice's Operations.

2.1.11 Billing and Collection. On behalf of and for the account of Practice, Manager shall establish and maintain credit and billing and collection policies and procedures and shall exercise reasonable efforts to bill and collect in a timely manner all professional and other fees for all billable services provided by Practice.

2.1.12 Office and Clinical Space. Manager shall Lease to Practice such office space and clinical space (the "Premises") as are needed for the Operations, under financial arrangements and conditions as may be agreed to by the Parties from time to time. Manager shall be responsible for the repair, maintenance and replacement of the Premises, other than such repairs, maintenance and replacement necessitated by the negligence or willful misconduct of the Practice, the Providers or other personnel employed or engaged by the Practice. Additionally, Manager will provide, to the extent possible, necessary utilities and other services, including, without limitation, heat, water, gas, electricity, air conditioning, and telephone necessary for the Practice to conduct the Operations on the Premises. Practice shall be a 'mere license holder' for such space during the Term of this Agreement and shall not be a tenant or subtenant of Manager and/or landlord.

2.1.13 Subordinated Loan. Manager shall provide to Practice, from time to time, operating loans, up to a maximum amount to be determined by Manager. Such loans shall be evidenced by a subordinated note in the form attached hereto as Exhibit 2.1.13 (the "Subordinated Promissory Note"). In the event that Practice has inadequate gross revenue to cover its expenses, including amounts owed to Manager in Section 4.7 and Section 6.1 below, the Parties may increase the maximum amount of the loan by mutual written consent.

2.1.14 All Other Matters Reasonably Needed for Operations. Manager shall perform all tasks required for the good governance and operation of the Operations in its discretion.

2.2 Responsibilities as Agent. In connection with the appointment of Manager as agent of Practice under Section 1.2 above, Manager shall undertake the following:

2.2.1 Billing. Manager shall bill, in Practice's name and on Practice's behalf, any claims for reimbursement, cost offset, or indemnification from members, insurance companies and plans, all state or federally funded benefit plans, and all other third-party payors or fiscal intermediaries.

2.2.2 Collections. Manager shall collect and receive on Practice's behalf, all accounts receivable generated by such billings and claims for reimbursement, to take possession of, and deposit into the Manager's Account (accruing such deposits on the general ledger of Practice) any cash, notes, checks, money orders, insurance payments, and any other instruments received in payment of accounts receivable, to administer such accounts including, but not limited to, extending the time for payment of any such accounts for cash, credit or otherwise; discharging or releasing the obligors of any such accounts; suing, assigning or selling at a discount such accounts to collection agencies; or taking other measures to require the payment of any such accounts.

2.2.3 Banking. The Parties shall cooperate in opening such bank accounts as shall be required for prudent administration of the Operations, including (i) a Manager's Account, opened by and under the control and domain of Manager for the deposit of collections and the disbursement of expenses and other purposes as set forth herein, and (ii) such other accounts as Manager determines in its sole discretion are reasonable and necessary. Manager shall sign checks, drafts, bank notes or other instruments on behalf of Practice, and make withdrawals from Manager's Account for payments specified in this Agreement. Manager, in its sole discretion, may make a pledge or assignment of Practice's accounts to support financing instruments. Manager may commingle Practice's funds with those of other entities for whom Manager provides similar administrative services, so long as Manager separately accounts for and provides Practice with a record of its separate deposits and withdrawals to and from Manager's Account.

2.2.4 Litigation Management. Manager shall (a) manage and direct the defense of all claims, actions, proceedings, or investigations against Practice or any of its officers, directors, employees, or agents in their capacity as such, and (b) manage and direct the initiation and prosecution of all claims, actions, proceedings, or investigations brought by Practice against any person other the Manager.

2.2.5 Marketing, Advertising, and Public Relations Programs. Manager shall propose and, with Practice's approval, implement marketing and advertising programs to be implemented by Practice to effectively notify the community of the services offered by Practice. Manager shall advise and assist Practice in implementing such marketing and advertising programs, including, but not limited to, analyzing the effectiveness of such programs, preparing marketing, and advertising materials, negotiating marketing and advertising contracts on Practice's behalf, and obtaining services necessary to produce and present such marketing and advertising programs. The Parties expressly acknowledge and agree that Practice shall exercise control over all policies and decisions relating to every element of such advertising. Manager and Practice agree that all marketing and advertising programs shall be conducted in compliance with all applicable standards of ethics, laws, and regulations.

2.2.6 Information Technology and Computer Systems. Manager shall set up workstations and other information technology required for the Operations.

2.2.7 Supplies. Manager shall order and purchase all supplies in connection with the Administrative Services and the Operations, including all necessary forms, supplies, and postage, provided that all such supplies acquired shall be reasonably necessary in connection with the Operations, subject to the approval of the Practice.

2.3 Furnishings. Manager Leases to the Practice the use of "Furnishings", which includes all fittings and other accessories, decorative or otherwise, that are not included in the Master Leases. Manager will be responsible for the repair, maintenance and replacement of the Furnishings other than such repairs,

maintenance and replacement necessitated by the negligence or willful misconduct of the Practice, the Providers or other personnel employed or engaged by the Practice. The provisions and obligations in this Agreement are subject and subordinate to the provisions and obligations contained in any financing, security interest, mortgage, lien or other encumbrance Manager may on its own behalf, but not on behalf of the Practice, in its reasonable discretion, place upon the Furnishings. The Practice shall use the Furnishings only in connection with the conduct of the Practice and shall have no right to alter, repair, augment or remove any of the Furnishings from the Premises without the prior written consent of Manager, which approval may be granted or withheld in Manager's sole discretion.

2.4 Equipment. Manager Leases to the Practice the use of the Medical Equipment, set forth in Exhibit 2.4, purchased in accordance with its Herway franchise agreement, and all items of furniture, fixtures and equipment, including computer hardware and information systems, and telephone systems (collectively, the "Equipment") reasonably necessary to support the Operations of the Practice. The provisions and obligations in this Agreement are subject and subordinate to the provisions and obligations contained in any financing, security interest, mortgage, lien or other encumbrance Manager may, on its own behalf, but not on behalf of the Practice, in its reasonable discretion place upon the Equipment. During the Term, the Practice shall use the Equipment only in connection with the conduct of the Practice and shall have no right to remove the Equipment from the Premises without the prior written consent of Manager, which approval may be granted or withheld in Manager's sole discretion. Except for equipment that is expressly purchased and owned by Practice, title to all Equipment shall be and shall remain at all times the property of the Manager (subject to the rights of the equipment lessors or vendors, as the case may be) and shall remain in the name of the Manager. Manager shall be responsible for the repair, maintenance and replacement of the Equipment, other than such repairs, maintenance and replacement necessitated by the negligence or willful misconduct of the Practice, its Providers or other personnel employed or engaged by the Practice. Manager may select and replace Equipment in consultation with Practice subject to Practice approval.

3. RELATIONSHIP OF THE PARTIES

3.1 Sole Authority to Practice. Notwithstanding any other provision of this Agreement and Shareholder's prior review and approval of Franchisor's clinical model, services, and products, Practice shall have exclusive authority and control over the healthcare aspects of Practice and its practice to the extent they constitute the practice of a licensed profession, including, without limitation, all diagnosis, treatment, and ethical determinations with respect to patients which are required by law to be decided by a licensed professional. Any delegation of authority by Practice to Manager that would require or permit Manager to engage in the practice of a licensed profession shall be prohibited and deemed ineffective, and Practice shall have the sole authority with respect to such matters. Manager shall not be required or permitted to engage in, and Practice shall not request Manager to engage in, activities that constitute the practice of medicine, nursing, or another similar profession in the State. Manager shall not direct, control, attempt to control, influence, restrict or interfere with Practice's or any of the Practice's physicians' exercise of independent clinical, medical, or professional judgment in providing healthcare or medical related services.

3.2 Compliance with Corporate Practice of Medicine. The Parties have made all reasonable efforts to ensure that this Agreement complies with the corporate practice of medicine prohibitions in the State. The Parties understand and acknowledge that such laws may change, be amended, have guidance, or have a different interpretation and the Parties intend to comply with such laws in the event of such occurrences. Under this Agreement, Practice and its physicians shall have the exclusive authority and control over the medical aspects of Practice's practice to the extent they constitute the practice of medicine, while Manager shall have the particular authority to manage the business aspects of Practice as more fully described in Section 2 of this Agreement. Practice shall have final say over (1) hiring and firing of clinical personnel

and supervisors thereof, (2) choice of modalities and medical services offered through the Operations, (3) financial issues, including banking and pricing (subject to day-to-day operational delegations to Manager hereunder), (4) choice of medical equipment, and (5) content of any advertising subject to applicable [State] laws and regulations.

3.3 Independent Contractor Relationship. Nothing contained herein shall be construed as creating a partnership, trustee, fiduciary joint venture, or employment relationship between Manager and Practice. In performing all services required hereunder, Manager shall be in the relation of an independent contractor to Practice, providing the Administrative Services to the Operations operated by Practice.

3.4 No Patient Referrals. Manager shall neither have nor exercise, any control or direction over the number, type, or recipient of patient or member referrals and nothing in this Agreement shall be construed as directing or influencing any such referrals. Nothing in this Agreement is to be construed to restrict the professional judgment of any physician to use any medical practice, facility, or pharmacy where necessary or desirable in order to provide proper and appropriate treatment or care to a patient. No part of this Agreement shall be construed to induce, encourage, solicit, or reimburse the referral of any patients or business, including any patient or business funded in whole or in part by federal or state government programs (i.e., Medicare, Medi-Cal, etc.). The Parties acknowledge that there is no requirement under this Agreement or any other agreement among the Parties to refer patients either to the other or to any of their respective affiliates. No payment made under this Agreement shall be in return for the referral of patients or business, including those paid in whole or in part by federal or state government programs.

4. LICENSING OF INTELLECTUAL PROPERTY AND TRADEMARKS

4.1 Ownership of Intellectual Property and Trademarks. Manager represents and Practice and Shareholder acknowledge that Manager licenses the property rights and related rights in the IP through and from Franchisor under the terms of the Franchise Agreement. Manager hereby represents and warrants that, to the best of its knowledge, it has, by virtue of the franchise, a license in and to the IP, that no third party has any claim or right of interest therein, and that Practice's sublicensing and use of the IP will not infringe in any way on any third party's proprietary rights as regards to the IP. Practice and Shareholder understand and acknowledge that neither Manager nor Franchisor is transferring or providing to Practice any IP hereunder and that the Sublicense is subject to Manager's license in and to the IP as set forth in the Franchise Agreement. Practice is expressly prohibited from asserting any rights in the nature of a license or grant for any rights of any trade names, trademarks, commercial symbols, or other proprietary marks owned by or associated with Franchisor or Manager or any rights in the IP of any nature whatsoever except as expressly set forth in this Agreement. If for any reason Manager becomes aware that any third party makes a claim that the IP infringes on such third party's patent or other rights, Manager shall immediately notify Practice of such claim. For sake of clarity, all of the IP is owned by Franchisor, and the IP currently being licensed by Manager and sublicensed hereunder to Practice includes, but is not limited to, the intellectual property reflected on Exhibit 4.1 hereto.

4.2 Further Acts of Practice and Shareholder. Practice and Shareholder agree to execute such documents and take all such further acts as may be requested by Manager or Franchisor to assure the continued ownership or licensing of Franchisor's rights in the IP.

4.3 Sublicense Grant. Manager hereby grants a nonexclusive, terminable, royalty-bearing right and Sublicense to Practice to use the IP in and for the provision of medical and patient care services at the Premises.

4.4 Sublicensing. Practice is not permitted to further sublicense the IP.

4.5 Rights Retained by Franchisor. In granting the Sublicense hereunder: (a) Manager is not permitted to grant a license to any other parties; and (b) no restriction will be placed on Franchisor's retained right to make, use, and to permit other entities under a written agreement to make, use, and employ the IP for any reason, subject to the terms of the Franchise Agreement.

4.6 Fictitious Name. To the extent that state law requires the registration or permitting of any fictitious or assumed name, Manager agrees to cooperate with Practice to enable Practice to apply for and obtain such fictitious name permit in names to be determined by Manager and approved by Franchisor, in consultation with Practice, including but not limited to "[NAME OF PROFESSIONAL CORPORATION]." The Parties acknowledge that there is no assurance that any state entity will issue such name permit(s). Upon termination of this Agreement or termination of the License, Practice and Shareholder agree that they shall cooperate with Manager to promptly (and no later than two (2) days following termination) sign and file any necessary documentation to cancel or transfer any fictitious name permits. To the extent that an authorized representative of Practice is not immediately available to execute the Notifications of Shareholder Change, Applications for Cancellation of a fictitious name permit, or other applicable document with the appropriate agency, Practice and Shareholder hereby grant Manager a limited power of attorney (which shall not be revocable so long as Practice and/or Shareholder maintain fictitious name permit(s) related to the name [NAME OF PROFESSIONAL CORPORATION]) for the sole purpose to sign on its behalf and file any document required on its own. In addition, Practice and Shareholder agree to sign such documents, which Manager shall hold in escrow pending termination of this Agreement or termination of the License. Should Practice and Shareholder fail to deliver requested documents within two (2) days following such termination, Practice and Shareholder irrevocably authorize Manager to date and file, and obtain any new owner's signature, for all filings with respect to related names that are being held in escrow by Manager. In addition, Practice and Shareholder acknowledge and agree to file a termination statement or other filing in all counties for which a trade name application has been submitted for [NAME OF PROFESSIONAL CORPORATION] upon termination of this Agreement or the License. The Parties recognize that the remedies and covenants under this Section are reasonable and necessary to protect Manager's interests in the name [NAME OF PROFESSIONAL CORPORATION], and related names under the circumstances.

4.7 Amount of Royalty. For use of the Sublicense as set forth herein, Practice shall pay to Manager as earned royalty to be determined by Manager after input from Practice to establish fair value for sublicensed IP ("Royalty"). The Royalty shall be a percentage of Practice's gross revenues unless prohibited by the applicable laws of the State.

4.8 Royalty Payment Dates and Reporting. On or before the fifteenth (15th) of the month following the close of each fiscal quarter, Practice shall remit the Royalty amount due to Manager. The Parties shall cooperate in accounting and accruing the appropriate gross revenues of Practice from which the Royalty may be calculated on a monthly or other periodic basis.

4.9 Payment Obligation is Absolute. The obligation of Practice to make all payments under this Agreement is absolute and unconditional and is not, except as expressly set out in this Agreement, affected by any circumstance, including without limitation any set-off, compensation, counterclaim, recoupment, defense, or other right which Practice may have against Manager.

4.10 Deemed Sale. A service is deemed to have been sold by Practice so that such sale is to be included in the gross revenues on an accrual basis on the date of the provision of service.

4.11 Taxes. Practice will pay all taxes and any related interest or penalty designated in any manner and imposed as a result of the existence or operation of this Agreement, including without limitation tax which Practice may be required to withhold or deduct from payments to Manager. The Royalties payable

hereunder are exclusive of taxes; such tax amounts will not be deducted from the Royalties payable hereunder. Practice will provide to Manager evidence as may be required by authorities to show that taxes due were paid. If Manager becomes required to collect a tax to be paid as a result of the transactions hereunder, Practice will either pay such tax directly upon demand, or reimburse Manager such payments it has made for such taxes.

4.12 Proprietary Rights. The Practice recognizes and acknowledges that all IP, records, files, reports, protocols, policies, manuals, data bases, processes, procedures, computer systems, materials and other documents used by the Manager in rendering services hereunder, or relating to the operations of the Manager, belong to and shall remain the property of the Franchisor as described in the Franchise Agreement, and constitute proprietary information and trade secrets that are valuable, special, and unique assets of the Franchisor's business ("Confidential Information"). The Practice shall not, and shall assure that its physicians and staff shall not, during or after the term of this Agreement, disclose any Confidential Information of the Manager or Franchisor, or the terms and conditions of this Agreement to any other firm, person, corporation, association, or other entity for any reason or purpose whatsoever, without the written consent of the Manager and Franchisor or each of their respective affiliates.

4.12.1 Derivative IP, as defined in Exhibit 4.1, which are at any time conceived or reduced to practice by Practice and/or any of its physicians or staff, acting alone or in conjunction with others, in connection with the Manager's management of the Practice or, during the course of the Practice's employment or engagement of physicians or staff (or, if based on or related to any Confidential Information, made by Practice and/or any physician or staff during or after such management by the Manager or employment or engagement by the Practice) and all concepts and ideas known to Practice or any physician or staff at any time during the Manager's management of the Practice which relate to the Manager's or Franchisor's present, past or prospective activities, services and products ("Concepts and Ideas") or any modifications thereof held by or known to Practice and/or any physician or staff on the date of this Agreement or acquired by Practice and/or any physician or staff during the term of this Agreement shall be the property of the Franchisor, free of any reserved or other rights of any kind on Practice and/or any physician or staff part with respect thereto, and Practice and/or any such physician or staff hereby assign all rights therein to the Franchisor.

4.12.2 Practice and/or its physicians and staff shall promptly make full disclosure of any such Derivative IP, Concepts and Ideas or modifications thereof to the Manager, and Manager shall promptly make a full disclosure to Franchisor. Further, Manager and/or Practice and/or its physicians and staff shall, at the Franchisor's cost and expense, promptly execute formal applications for copyrights and also do all other acts and things (including executing and delivering instruments of further assurance or confirmation) deemed by the Franchisor to be necessary or desirable at any time or times in order to effect the full assignment to the Franchisor rights and title to such Derivative IP, Concepts and Ideas or modifications, without payment therefor and without further compensation. In order to confirm the Franchisor's rights, Manager, Practice and/or its physicians and staff will also assign to the Franchisor any and all copyrights and reproduction rights to any written material prepared by the Manager, Practice and/or its physicians and staff in connection with the Manager's management of the Practice or the physician and staff's employment or engagement by the Practice. Manager, Practice and/or its physicians and staff further understand that the absence of a request by the Franchisor for information, or for the making of an oath, or for the execution of any document, shall in no way be construed to constitute a waiver of the rights of the Franchisor. This Agreement shall not be construed to limit in any way any "shop rights" or other common law or contractual rights of the Practice or the Manager in or to any Derivative IP, Concepts and Ideas or modifications which the Franchisor has or may have by virtue of the Franchise Agreement, Manager's management activities hereunder or the Practice's engagement of its physicians and staff.

4.12.3 Practice, Shareholder and its employees and service providers agree to sign any confidentiality agreement or similar agreement required by Franchisor related to the Franchise Agreement.

5. RESPONSIBILITIES OF PRACTICE

5.1 General Responsibilities of Practice. Practice shall operate the clinical aspects of the Operations during the Term of this Agreement. Practice understands and acknowledges that Manager has entered into the Franchise Agreement, which contains specific obligations for the Operation. To the extent not prohibited by Section 3 above, Manager will outline the obligations for the Operation under the Franchise Agreement, and the Practice agrees to follow the same.

5.2 Physicians and Staff. Practice shall be responsible for employing all individual physicians, nurses, physician assistants, chiropractors and other professionals licensed or authorized in the State (collectively, the "Providers"). Practice shall ensure that all technicians or other non-physicians responsible for patient care employed or contracted by Practice are appropriately supervised with respect to the provision of services to patients in accordance with all applicable laws. Practice shall consult with Manager prior to engaging new physicians. Practice shall not modify or amend any employment agreement or independent contractor agreement with a physician without Manager's prior written consent. Notwithstanding the foregoing, Practice retains the right to modify or amend any employment agreement or independent contractor agreement with a Provider without Manager's consent if the modification is made solely with regards to issues related to the practice of medicine. Practice shall consult with Manager from time to time regarding the number, work schedules, and evaluation of the physicians employed or engaged by Practice. Practice shall staff its practice as required for the efficient operation of Practice, and as otherwise necessary to meet the requirements of payor contracts and applicable law. Practice shall provide full and prompt medical coverage consistent with comparable practice standards. In addition, each physician employed by or providing services to Practice shall:

5.2.1 Maintain an unrestricted license to practice in the State, maintain all narcotics and controlled substances numbers and licenses, including, without limitation, a DEA registration or permit, and maintain good standing with the applicable professional boards;

5.2.2 Perform services and otherwise operate in accordance with all laws and with prevailing and applicable standards of care;

5.2.3 Maintain his or her skills through continuing education and training;

5.2.4 Maintain eligibility for professional liability insurance for his or her specialty;

5.2.5 Comply with such other requirements for the orderly operation of the Practice (not including those relating to the practice of medicine) established from time to time by Manager;

5.2.6 Avoid all personal acts, habits, and usages that might injure in any way, directly or indirectly, his or her professional judgment or professional reputation; and

5.2.7 Not be (and shall avoid being) suspended or excluded from any federal or state healthcare program.

5.3 Actions Requiring Manager's Consent. As inducement to Manager to enter into this Agreement, Practice agrees that it shall not take certain governance actions without Manager's consent. Therefore, notwithstanding anything in this Agreement to the contrary, Practice agrees that the following actions by Practice shall require the prior written consent of Manager:

5.3.1 A sale of shares of capital stock of Practice by Shareholder;

5.3.2 The issuance of capital stock of Practice or of any security convertible into shares of capital stock of Practice;

5.3.3 The payment of any dividends on the capital stock of Practice or other distribution to the shareholders of Practice;

5.3.4 Any consolidation, conversion, merger, or stock/share exchange of Practice;

5.3.5 Any sale, assignment, pledge, lease, exchange, transfer, or other disposition, excluding salaries, but including without limitation a mortgage or other security device, of assets, including Practice's accounts receivable, constituting in the aggregate five percent (5%) or more (in any transaction or series of transactions over any consecutive five (5) year period) of the total assets of Practice at the end of its most recent fiscal year ending prior to such disposition;

5.3.6 Any purchase or other acquisition of assets at any aggregate cost to Practice exceeding One Thousand Dollars ($1,000.00);

5.3.7 Any incurrence of loans or other indebtedness by Practice in an amount in excess of One Thousand Dollars ($1,000.00);

5.3.8 Any reclassification or recapitalization of the capital stock of Practice;

5.3.9 Any redemption or purchase of any shares of capital stock of Practice;

5.3.10 Any amendment to the Articles of Incorporation or Bylaws of Practice;

5.3.11 The dissolution or liquidation of Practice;

5.3.12 The authorization for the employment or discharge of any employees, or the engagement or termination of engagement of any independent contractor, at a compensation in excess of Five Thousand Dollars ($5,000.00) per annum, or for the execution and delivery of any employment agreements or contracts with independent contractors or consultants, or the modification or termination thereof;

5.3.13 The entering into of any contract by Practice at an aggregate contract price to Practice in excess of One Thousand Dollars ($1,000.00); and

5.3.14 The creation of any indebtedness or any other obligation of Practice to any of the shareholders of Practice or of any of the shareholders of Practice to Practice.

5.4 Assignable Option. As a material inducement for Manager to enter into this Agreement, Shareholder, who owns [NUMBER OF SHARES] shares of common stock in the Practice (representing one hundred percent (100%) of the issued stock in the Practice, which is all of the total number of shares that the Practice is authorized to issue), hereby grants Manager the option to sell and transfer all of Practice's assets or all of Shareholder's shares in the Practice as more fully described in that certain Assignable Option Agreement in the form attached hereto as Exhibit 5.4 (the "Assignable Option Agreement"). In connection with this grant of an assignable option, Shareholder makes the following representations and warranties to Manager:

5.4.1 Shareholder owns the Practice's shares free and clear of any material liens, claims, encumbrances, or security interests of any kind or nature whatsoever; and

5.4.2 Shareholder is not precluded, by agreement or operation of law or otherwise, from entering into the Assignable Option Agreement, and needs no further authority or authorization for this agreement.

5.5 Exclusivity. During the term of this Agreement, Manager shall serve as Practice's sole and exclusive manager and provider of the Administrative Services, and Practice shall not engage any other person or entity to furnish Practice with any sites for conduct of its Operations, any policies or procedures for conduct of the Operations, or any of the financial or other services provided hereunder by Manager.

5.6 Provision of Medical Services/Quality/Compliance. Practice shall be responsible for the provision of excellent patient care services through its Providers. Practice shall also be responsible for quality improvement (following Manager's policies and procedures), and for all aspects of compliance with all healthcare and general rules and regulations governing the delivery of healthcare services.

6. FINANCIAL ARRANGEMENTS

6.1 Management Fee. For the Term of this Agreement, as compensation for services hereunder, Practice shall pay Manager, monthly, a management fee (the "Management Fee"), which the Parties agree represents the fair market value for the Leases and Administrative Services, as of the Effective Date. The Management Fee shall be determined by Manager after input from the Practice, and shall be a percentage of Practice's gross revenues unless prohibited by applicable laws of the State. The Parties shall cooperate in the allocation of costs and expenses between them.

6.2 Fee for Extraordinary Services. In the event Manager renders extraordinary services outside the scope of its duties, Manager shall bill Practice on a quarterly basis, describing such extraordinary services, the dates of service, and the costs and fees related thereto, which shall be calculated at fair market value. Notwithstanding the above, Practice shall not be obligated to pay such bonus if Practice is operating at a deficit pursuant to Section 2.1.13.

7. TERM AND TERMINATION

7.1 Term. This Agreement shall commence as of the Effective Date and continue in full force and effect for a period of ten (10) years (the "Initial Term"), unless terminated as provided herein. Following the Initial Term, this Agreement shall automatically renew for one (1) year renewal terms ("Renewal Term", and combined with the Initial Term, the "Term").

7.2 Termination by Mutual Agreement. The Parties may terminate this Agreement by mutual written agreement.

7.3 Without Cause Termination.

7.3.1 Practice may terminate this Agreement by giving one hundred eighty (180) days advance written notice of the intent to terminate the Agreement to Manager.

7.3.2 Manager may terminate this Agreement by giving thirty (30) days advance written notice of the intent to terminate the Agreement to Practice.

7.3.3 This Agreement will terminate automatically upon the termination or expiration of the Franchise Agreement.

7.4 Immediate Termination by Manager. Manager shall have the right, but not the obligation, to terminate this Agreement immediately upon notice to Practice and the Shareholder of any of the following events:

7.4.1 The conviction of the Shareholder or anyone employed or engaged by Practice, of any crime punishable as a felony under federal or state law;

7.4.2 The date upon which any of the stock in Practice is transferred or attempted to be transferred voluntarily, by operation of law or otherwise to any person without the prior approval of the Manager;

7.4.3 The merger, consolidation, reorganization, conversion, sale, liquidation, dissolution, or other disposition of all or substantially all of the stock or assets of Practice without the prior written approval of the Manager;

7.4.4 Failure to pay the Management Fee or Royalty in a timely fashion;

7.4.5 Practice materially altering or changing the scope of the Operations without Manager's approval;

7.4.6 Practice's breach of this Agreement regarding banking arrangements;

7.4.7 Death or disability or other interference with Shareholder's ability to practice medicine; or

7.4.8 Material failure of Practice to follow Manager's policies.

7.5 Rights upon Termination. Upon expiration or termination of this Agreement for any reason, Practice will immediately surrender to Manager (or Franchisor, if requested by Franchisor) any property or proprietary information of Manager or Franchisor in the possession of Practice at the time of termination and Manager will immediately surrender to Practice all books, records and electronic files pertaining to Practice that are not the property or proprietary information of Manager and/or Franchisor. Termination of this Agreement will not release or discharge either Party from any obligation, debt or liability which will have previously accrued and remain to be performed upon the date of termination.

8. RECORDS AND RECORD KEEPING

8.1 Medical/Patient Records. Practice appoints Manager to be responsible for the confidentiality, privacy, maintenance, storage, retention, and custody of all medical/patient records of Practice. To the extent permitted by applicable law, Manager shall be permitted to retain true and complete copies of such records for archival purposes, at its expense. The Parties agree to comply with all state and federal patient confidentiality and privacy laws regarding medical/patient records. The Parties shall fully comply with the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). In furtherance thereof, the Parties are entering into a Business Associate Agreement of even date hereof and attached hereto as Exhibit 8.1.

8.2 Access to Information. Each Party hereby authorizes and grants the other Parties full and complete access to all information, instruments, and documents which may be reasonably requested by the other Party to perform its obligations hereunder or to conduct the Operations. Each Party shall disclose and

make available to representatives of the other Parties for review and photocopying all relevant books, agreements, papers, and records of such Party. At all times during and after the Term of this Agreement, all business records and information, including, but not limited to, all books of account and general administrative records and all information generated under or contained in the management information systems pertaining to Practice, relating to the business and activities of Manager, shall be and remain the sole property of Manager, unless the same is owned by Franchisor under the terms of the Franchise Agreement. For purposes of accessing information, to the extent permitted by law, Practice agrees and acknowledges that Manager shall grant access to any such information as required under the Franchise Agreement. Practice will have reasonable access during normal business hours to the business records kept by Manager relating to the Operations, and Practice may copy any or all such records. After termination of this Agreement, each Party will have reasonable access during normal business hours to the business records of the other Parties as determined by such Party accessing records to be necessary to carry out its affairs or for the defense of any legal or administrative action or claim relating to such records.

9. GENERAL

9.1 Indemnification.

9.1.1 Indemnification by Practice. Practice hereby agrees to indemnify, defend, and hold harmless Manager, Franchisor, their managers, officers, directors, owners, members, employees, agents, affiliates, and subcontractors, from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, awards, costs, and expenses (including reasonable attorneys' fees) related to third party claims, whether or not covered by insurance, arising from or relating to any willful misconduct relating to the breach of this Agreement by Practice. The provisions of this Section 9.1.1 shall survive termination or expiration of this Agreement. Notwithstanding the foregoing, Practice shall not indemnify Manager for the acts or omissions of any physicians or others employed or engaged by Manager to perform non-clinical work under the supervision of Manager. Practice shall immediately notify Manager of any lawsuits or actions, or any threat thereof, that are known or become known to Practice that might adversely affect any interest of Practice or Manager whatsoever.

9.1.2 Indemnification by Manager. Manager hereby agrees to indemnify, defend, and hold harmless Practice, its respective officers, directors, shareholders, employees and agents from and against any and all claims, damages, demands, diminution in value, losses, liabilities, actions, lawsuits and other proceedings, judgments, fines, assessments, penalties, and awards, costs, and expenses (including reasonable attorneys' fees), whether or not covered by insurance, arising from or relating to (a) any material breach of this Agreement by Manager, (b) any acts or omissions by Manager and its employees. The provisions of this Section 9.1.2 shall survive termination or expiration of this Agreement. Manager shall immediately notify Practice of any lawsuits or actions, or any threat thereof, that are known or become known to Manager that might adversely affect any interest of Manager or Practice whatsoever.

9.1.3 Effect of Insurance. The Parties agree that no indemnification hereunder shall be in lieu of or to the detriment to any policy of insurance or recovery thereunder that responds to any damage or loss for which indemnification is sought; all recoveries for indemnification shall be non-duplicative of recoveries received under any policy of insurance, and shall be paid only to the extent that such insurance recoveries do not compensate the injured Party for the full amount of loss otherwise payable under the indemnification clause.

9.2 Dispute Resolution. In the event that any disagreement, dispute, or claim arises among the Parties hereto with respect to the enforcement or interpretation of this Agreement or any specific terms and

provisions hereof or with respect to whether an alleged breach or default hereof has or has not occurred (collectively, a "Dispute"), such Dispute shall be settled in accordance with the following procedures:

9.2.1 Meet and Confer. In the event of a Dispute among the Parties hereto, a Party may give written notice to all other Parties setting forth the nature of such Dispute (the "Dispute Notice"). The Parties shall meet and confer to discuss the Dispute in good faith within ten (10) days following the other Parties' receipt of the Dispute Notice in an attempt to resolve the Dispute. All representatives shall meet at such date(s) and time(s) as are mutually convenient to the representatives of each participant within the Meet and Confer Period (defined below).

9.2.2 Mediation. If the Parties are unable to resolve the Dispute within thirty (30) days following the date of receipt of the Dispute Notice by the other Parties (the "Meet and Confer Period"), then the Parties shall attempt in good faith to settle the Dispute through nonbinding mediation under the Rules of Practice and Procedures (the "Rules") of JAMS, Inc. ("JAMS") or such other neutral service as the Parties may agree. A single disinterested third-party mediator located in [CITY, STATE] shall be selected by JAMS in accordance with its then-current Rules. The parties to the Dispute shall share the expenses of the mediator and the other costs of mediation on a pro rata basis.

9.2.3 Arbitration. Any Dispute which cannot be resolved by the Parties within sixty (60) days following the end of the Meet and Confer Period shall be resolved by final and binding arbitration (the "Arbitration"). The Arbitration shall be initiated and administered by and in accordance with the then-current Rules of JAMS. The Arbitration shall be held before a single disinterested third-party arbitrator selected in accordance with the then-current Rules of JAMS, in [COUNTY, STATE], unless the parties mutually agree to have such proceeding in some other locale; the exact time and location shall be decided by the arbitrator in accordance with the then-current Rules of JAMS. The arbitrator shall apply [STATE] substantive law, or federal substantive law where state law is preempted. The arbitrator selected shall have the power to enforce the rights, remedies, duties, liabilities, and obligations of discovery by the imposition of the same terms, conditions, and penalties as can be imposed in like circumstances in a civil action by a court of competent jurisdiction of the State of [STATE]. The arbitrator shall have the power to grant all legal and equitable remedies provided by [STATE] law and award compensatory damages provided by [STATE] law, except that punitive damages shall not be awarded. The arbitrator shall prepare in writing and provide to the Parties an award including factual findings and the legal reasons on which the award is based. The arbitration award may be enforced through an action thereon brought in the Superior Court for the State of [STATE] in [COUNTY]. The prevailing Party in any Arbitration hereunder shall be awarded reasonable attorneys' fees, expert and non-expert witness costs and any other expenses incurred directly or indirectly with said Arbitration, including without limitation the fees and expenses of the arbitrator.

THIS ELECTION OF AN ALTERNATIVE DISPUTE PROCESS IS AN AFFIRMATIVE WAIVER OF THE PARTIES' RIGHTS TO A JURY TRIAL UNDER [STATE] LAW. BY SIGNING BELOW, EACH PARTY IS EXPLICITLY WAIVING JURY TRIAL AND AUTHORIZING ANY AND ALL PARTIES TO FILE THIS WAIVER WITH ANY COURT AS THE WAIVER REQUIRED UNDER [STATE] LAW:

(Signatures on following page)

JURY TRIAL WAIVED:

[FRANCHISEE/MSO]	[PHYSICIAN], an individual
By:_____	By:_____
Name: [FRANCHISEE/MSO CEO]	Name: [PHYSICIAN]
Title: [CEO]	
	[NAME OF PROFESSIONAL CORPORATION]
	By:_____
	Title: President

9.3 Entire Agreement; Amendment. This Agreement constitutes the entire agreement among the Parties related to the subject matter hereof and supersedes all prior agreements, understandings, and letters of intent relating to the subject matter hereof. This Agreement may be amended or supplemented only by a writing executed by all Parties.

9.4 Notices. All notices, requests, demands, or consents hereunder shall be in writing and shall be deemed given and received when delivered, if delivered in person, or four (4) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) day after being sent by overnight courier such as Federal Express, to and by the Parties at the following addresses, or at such other addresses as the Parties may designate by written notice in the manner set forth herein:

If to Manager: [FRANCHISEE/MSO]
[FRANCHISEE/MSO ADDRESS]

If to Shareholder: [PHYSICIAN]
[PHYSICIAN ADDRESS]

If to Practice: [NAME OF PROFESSIONAL CORPORATION]
[PRACTICE ADDRESS]

9.5 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which, when taken together, will constitute one and the same instrument. Each counterpart may be delivered by facsimile transmission or email (as a PDF similar attachment), which transmission shall be deemed delivery of an originally executed counterpart hereof.

9.6 Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State, without reference to conflict of law principles.

9.7 Assignment. This Agreement shall not be assignable by any Party hereto without the express written consent of the other Parties; provided, however, that this Agreement shall be assignable by Manager to any of its wholly owned affiliates or successors without the consent of the other Parties.

9.8 Waiver. Waiver of any agreement or obligation set forth in this Agreement by any Party shall not prevent that Party from later insisting upon full performance of such agreement or obligation and no course of dealing, partial exercise or any delay or failure on the part of any Party hereto in exercising any right, power, privilege, or remedy under this Agreement or any related agreement or instrument shall impair or restrict any such right, power, privilege or remedy or be construed as a waiver therefor. No waiver shall

be valid against any Party unless made in writing and signed by the Party against whom enforcement of such waiver is sought.

9.9 Binding Effect. Subject to the provisions set forth in this Agreement, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and upon their respective successors and assigns.

9.10 Third Party Beneficiary. Manager and Practice acknowledge that Franchisor is an express third-party beneficiary of this Agreement, and may directly or indirectly, enforce any right of the Manager hereunder.

9.11 Waiver of Rule of Construction. Each Party has had the opportunity to consult with its own legal counsel in connection with the review, drafting, and negotiation of this Agreement. Accordingly, the rule of construction that any ambiguity in this Agreement shall be construed against the drafting party shall not apply.

9.12 Severability. If any one or more of the provisions of this Agreement is adjudged to any extent invalid, unenforceable, or contrary to law by a court of competent jurisdiction, each and all of the remaining provisions of this Agreement will not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

9.13 Force Majeure. Each Party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to any cause beyond the control and without the fault of such Party, including without limitation, any act of God, war, terrorism, bio-terrorism, riot or insurrection, law or regulation, strike, flood, earthquake, water shortage, fire, explosion, or inability due to any of the aforementioned causes to obtain necessary labor, materials, or facilities. This provision shall not release such Party from using its best efforts to avoid or remove such cause and such Party shall continue performance hereunder with the utmost dispatch whenever such causes are removed. Upon claiming any such excuse or delay for non-performance, such Party shall give prompt written notice thereof to the other Parties, provided that failure to give such notice shall not in any way limit the operation of this provision.

9.14 Authorization for Agreement. The execution and performance of this Agreement by Practice and Manager have been duly authorized by all necessary laws, resolutions, and corporate action, and this Agreement constitutes the valid and enforceable obligations of Practice and Manager in accordance with its terms.

9.15 Duty to Cooperate. The Parties acknowledge that the Parties' cooperation is critical to the ability of Manager and Practice to successfully and efficiently perform their respective duties hereunder. Accordingly, each Party agrees to cooperate fully with the other in formulating and implementing goals and objectives which are in Practice's best interests.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

"MANAGER"

By: _____
Name: [FRANCHISEE/MSO CEO]
Title:[CEO]

"SHAREHOLDER"

By: _____
[PHYSICIAN], an individual

"PRACTICE"

By:_____
Name: [PHYSICIAN]
Title:President

(EXHIBIT H-7 CONTINUED)

EXHIBIT 4.1 OF MANAGEMENT SERVICES AND LICENSING AGREEMENT

INTELLECTUAL PROPERTY

IP, which is owned by Franchisor and licensed to Manager pursuant to the Franchise Agreement, and sublicensed hereunder to Practice include the following:

1. A license for the name and trade name: "[NAME OF PROFESSIONAL CORPORATION]" and any derivative thereof as well as all logos, trade dress, signage and related promotional depictions, and artwork of the name and logos related thereto;

2. A limited, nonexclusive sublicense to use Manager's licensed Trademarks under the Franchise Agreement.

3. Trade secrets, proprietary information, and confidential information of Manager (or licensed to Manager under the Franchise Agreement) ("Confidential Information") including, but not limited to: (i) any software or source code, (ii) passwords, (iii) access to systems, (iv) products and future developments, (v) services, suppliers, partners, (vi) human resources issues, co-workers, (vii) salaries, financial matters, investors, (viii) market share; (ix) identity of current, past, or prospective clients, (x) referral sources, (xi) marketing, present and planned business activities, and (xii) any contracts of Manager. Confidential Information includes any form of information regardless of whether it is in verbal, written, depicted or electronic form. Shareholder and Practice expressly agree that all Confidential Information shall be and shall remain the property of Manager, subject to Franchisor's rights under the Franchise Agreement, and that Shareholder and Practice shall not duplicate, photocopy, or transcribe any such information, records, or property from Manager. Further, Shareholder and Practice will not disclose or use in any way adverse to Manager or Franchisor any Confidential Information or other proprietary information of Manager or Franchisor. For the avoidance of doubt, the parties expressly acknowledge that Confidential Information includes any information obtained from an affiliated and/or related entity of Manager or Franchisor; and

4. Intellectual property of any kind created by Shareholder or Practice using the Confidential Information ("Derivative IP") including, but not limited to, products, deliverables, inventions, patents, copyrights, software, etc. used by Practice. For the avoidance of doubt, the parties expressly acknowledge that Derivative IP includes any intellectual property created by any physician, employee, or agent working on behalf of Practice.

(EXHIBIT H-7 CONTINUED)

EXHIBIT 4.6 OF MANAGEMENT SERVICES AND LICENSING AGREEMENT

FICTITIOUS NAMES

[NAME OF PROFESSIONAL CORPORATION]

(EXHIBIT H-7 CONTINUED)

EXHIBIT 2.1.13 OF MANAGEMENT SERVICES AND LICENSING AGREEMENT

SUBORDINATED PROMISSORY NOTE

Effective Date: [MONTH DAY, 20__]

Maximum Amount: [MAXIMUM AMOUNT ($●)]

FOR VALUE RECEIVED, [NAME OF PROFESSIONAL CORPORATION], a [State] professional medical corporation ("Maker" or the "Practice"), hereby promises to pay to the order of [FRANCHISEE/MSO], a [FRANCHISEE/MSO STATE] [FRANCHISEE/MSO ENTITY TYPE] ("Holder"), the principal amount of [MAXIMUM AMOUNT ($●)], or as much thereof as may have been then advanced and is the outstanding (the "Note") together with interest on the Note as set forth below, subject to the terms and conditions set forth hereinbelow. Until the Maturity Date (defined below), Maker may borrow, repay, and reborrow funds, all of which shall nevertheless be evidenced by this Note.

1. Payment. Beginning with the first month following the Effective Date, and on the first business day of each succeeding month thereafter, the Practice shall pay interest in respect of the outstanding principal balance of this Note monthly in arrears at the rate of ten percent (10%) on the basis of a 360-day year of twelve 30-day months. The principal amount of this Note together with accrued and unpaid interest thereon, shall be due and payable on the first to occur of (i) ten (10) years from the Effective Date set forth above, or (ii) the date that the Management Services and Licensing Agreement of even date herewith between the parties terminates for any reason. ("Maturity Date"). Notwithstanding the foregoing, until such time as holders of Senior Indebtedness demand, following a default in payment of such Senior Indebtedness, Maker may pay interest and principal on this Note in accordance with its terms.

2. Subordination.

(a) Subordination to Senior Indebtedness. The indebtedness evidenced by this Note, and the payment of the principal hereof and interest hereon, is wholly subordinated, junior and subject in right of payment, to the extent and in the manner hereinafter provided, to the prior payment of all Senior Indebtedness of the Practice now outstanding or hereinafter incurred. "Senior Indebtedness" means the principal of, and premium, if any, and interest on (i) all indebtedness of the Practice for monies borrowed from banks, trust companies, insurance companies and other financial institutions, including commercial paper and accounts receivable sold or assigned by the Practice to such institutions, (ii) all indebtedness of the Practice for monies borrowed by the Practice from other persons or entities, (iii) principal of, and premium, if any, and interest on any indebtedness or obligations of others of the kinds described above assumed or guaranteed in any manner by the Practice, (iv) deferrals, renewals, extensions and refunding of any such indebtedness or obligations described above, and (v) any other indebtedness of the Practice which the Practice and Holder may hereafter from time to time expressly and specifically agree in writing shall constitute Senior Indebtedness.

(b) Rights of Holders Unimpaired. The provisions of this Section 2 are, and are intended solely, for the purposes of defining the relative rights of the Holder and the holders of Senior Indebtedness and nothing in this Section 2 shall impair, as between the Practice and Holder, the obligation of the Practice, which is unconditional and absolute, to pay to Holder the principal thereof, in accordance with the terms of this Note, nor shall anything herein prevent Holder from exercising all remedies otherwise permitted by applicable law or hereunder upon default under this Note, subject to the rights set forth above of holders of

Senior Indebtedness to receive cash, property or securities otherwise payable or deliverable to Holder, in any bankruptcy or insolvency proceeding.

3. Repayment of the Subordinated Note.

(a) Repayment at the Maturity Date. On the Maturity Date, the Practice shall repay all, but not less than all, of the outstanding principal amount of this Note, and all accrued and unpaid interest thereon.

(b) Prepayment Prior to the Maturity Date. The Practice may prepay all or any portion of the outstanding principal amount of this Note, together with all accrued and unpaid interest thereon, at any time or from time to time without premium or penalty.

(c) Cancellation of Subordinated Note. Immediately upon repayment in full of this Note, this Note shall no longer be deemed to be outstanding and all rights with respect to this Note shall immediately cease and terminate as of the date of such repayment.

(d) Waiver. Maker waives presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Note.

(e) Personal Responsibility. It is expressly understood and agreed that no shareholder, officer, director, or employee of Maker has any personal obligation or responsibility for payment of this Note.

4. Payment of Principal. All payments due and payable from Maker to Holder under this Note shall be made in lawful currency of the United States of America.

5. Waiver of Principal and Interest. If Maker is not able to generate enough revenues from the operations of the Maker's business to repay the amounts due under this Note before the Maturity Date, Holder shall either (i) forgive the amounts due under this Note or (ii) sell this Note to such person as shall be designated by Maker at its then fair market value, whichever results in a more advantageous tax treatment to Maker's shareholders.

6. Default. Upon the occurrence of an Event of Default (as defined below), the entire unpaid portion of the principal amount of this Note, and all accrued and unpaid interest due Holder hereunder, shall automatically become due and payable. As used in this Note, "Event of Default" shall mean: (i) a receiver, trustee, custodian or similar officer is appointed for Maker, or for any substantial part of its property and such appointment or proceedings remain unstayed or undismissed for a period of 90 days, (ii) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction is instituted (by petition, application or otherwise) against Maker and such appointment or proceedings remain unstayed or undismissed for a period of 90 days, (iii) Maker admits in writing its inability to pay its debts when due, (iv) Maker makes an assignment for the benefit of creditors, (v) Maker applies for or consents to the appointment of any receiver, trustee, custodian or similar officer for Maker or for any substantial part of its property, or (vi) Maker institutes (by petition, application or otherwise) or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceedings under the laws of any jurisdiction against Maker.

7. Replacement. Whenever this Note shall be surrendered at the principal executive office of the Practice for transfer or exchange, accompanied by a written instrument of transfer in form reasonably satisfactory to the Practice duly executed by the Holder hereof or his, her or its attorney duly authorized in writing, the Practice shall execute and deliver in exchange therefore a new Note or Notes, as may be requested by such Holder, in the same aggregate unpaid principal amount and payable on the same date as the principal amount

of the Note or Notes so surrendered; each such new Note shall be in such principal amount and registered in such name or names as such Holder may designate in writing. Upon receipt by the Practice of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Note and of indemnity reasonably satisfactory to it, and upon reimbursement to the Practice of all reasonable expenses incidental thereto, and upon surrender and cancellation of this Note (in case of mutilation) the Practice will make and deliver in lieu of this Note a new Note of like tenor and unpaid principal amount.

8. General.

(a) Successors and Assigns. This Note, and the obligations and rights of the Practice hereunder, shall be binding upon and inure to the benefit of the Practice, the Holder of this Note, and their respective heirs, successors and assigns.

(b) Notices. All notices, requests, demands, or consents hereunder shall be in writing and shall be deemed given and received when delivered, if delivered in person, or four (4) days after being mailed by certified or registered mail, postage prepaid, return receipt requested, or one (1) day after being sent by overnight courier such as Federal Express, to and by the parties at the following addresses, or at such other addresses as the parties may designate by written notice in the manner set forth herein:

If to Holder: [FRANCHISEE/MSO]
[FRANCHISEE/MSO ADDRESS]

If to Practice: [NAME OF PROFESSIONAL CORPORATION]
[PRACTICE ADDRESS]

(c) Governing Law. This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of [State], without regard to its principles of choice of law.

(d) No Waiver. No delay or omission on the part of the Holder in exercising any right under this Note shall operate as a waiver of such right or of any other right of such Holder, nor shall any delay, omission or waiver on any one occasion be deemed a bar to or waiver of the same or any other right on any future occasion.

(e) Costs of Collection. The Practice agrees to pay on demand all costs of collection, including reasonable attorney's fees, incurred by the Holder in enforcing the obligations of the Practice under this Note.

(f) Confidentiality. By his, her or its acceptance hereof, the Holder of this Note agrees that he, she or it will keep confidential and will not disclose, divulge or use for any unauthorized purpose any confidential, proprietary or secret information which such Holder may obtain from the Practice (i) pursuant to financial statements, reports and other materials submitted by the Practice to such Holder or (ii) pursuant to visitation or inspection rights granted to such Holder, unless such information is known, or until such information becomes known, to the public.

(g) Headings. The headings in this Note are for purposes of reference only and shall not limit or otherwise affect the meaning of any provision of this Note.

(Signatures on following page)

IN WITNESS WHEREOF, this Note has been executed and delivered on the date first above written by the undersigned authorized representative of the Practice.

"HOLDER"

By: _____
Name: [FRANCHISEE/MSO CEO]
Title:[CEO]

"PRACTICE"

By:_____
Name: [PHYSICIAN]
Title:President

(EXHIBIT H-7 CONTINUED)

EXHIBIT 2.4 TO MANAGEMENT SERVICES AND LICENSING AGREEMENT

MEDICAL EQUIPMENT

Medical Equipment leased by Manager to Practice:

Name	Description

(EXHIBIT H-7 CONTINUED)

EXHIBIT 5.4 OF MANAGEMENT SERVICES AND LICENSING AGREEMENT

ASSIGNABLE OPTION AGREEMENT

This Assignable Option Agreement ("Agreement") is made, entered into, and effective as of [MONTH DAY, 20__] (the "Effective Date") by and among [FRANCHISEE/MSO], a [FRANCHISEE/MSO STATE] [FRANCHISEE/MSO ENTITY TYPE] ("Manager"), [PHYSICIAN], an individual ("Shareholder"), and [NAME OF PROFESSIONAL CORPORATION], a [State] professional medical corporation ("Practice"). Each of Manager, Shareholder, and Practice shall also be referred to herein as a "Party" and collectively as the "Parties."

RECITALS

NOW, THEREFORE, in consideration of the foregoing promises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, Practice, Shareholder, and Manager agree as follows:

A. Practice owns and operates a medical practice ("Practice").

B. Practice and Manager entered into that certain Management Services and Licensing Agreement ("MSLA") of even date herewith.

C. Manager has expended substantial time and effort and incurred substantial expenses and risk in entering into the MSLA.

D. Furthermore, and as a condition to entering into the MSLA, Shareholder desires to grant to Manager, and Manager desires to acquire from Shareholder (i) an assignable option to purchase all of the assets of Practice, and (ii) the right to designate the purchaser ("Successor Physician") of all of the issued and outstanding stock in Practice. When used in this Agreement, the term "Assets" shall mean all of Practice's and Shareholder's right, title, interest and estate in and to all the assets of every kind and description used in or pertaining to the Practice. When used in this Agreement, the term "Stock" shall mean all of Shareholder's right, title, interest and estate in and to all of issued and outstanding stock in Practice's corporation, including any rights to any additional stock, preemptive rights, warrants, and the like, as set forth on Exhibit X.

1. Grant of Option

1.1 Practice hereby grants to Manager an assignable option to purchase all of the Assets (the "Assets Option"), on the terms and subject to the conditions set forth in this Agreement.

1.2 Practice and Shareholder hereby grant to Manager the assignable right to designate a Successor Physician, which person must be a duly licensed physician in the State of [State] or otherwise permitted by law to be a shareholder in a [State] professional corporation, to purchase all of the Stock (the "Stock Option"), on the terms and subject to the conditions set forth herein. In its sole discretion, Manager may designate all, or a lesser number of, shares of Shareholder's Stock which are to be purchased. The Assets Option and the Stock Option are sometimes collectively referred to herein as the "Option."

1.3 Practice and Shareholder represent and warrant that as of the Effective Date and during the term of this Agreement, Exhibit X is a true and complete schedule showing the number of issued and

outstanding shares of the Stock, which shall be revised from time to time pursuant to this Agreement to reflect changes.

1.4 Practice shall not recognize any issuance of shares, share transfer, or other action not in compliance with the terms of this Agreement.

1.5 Practice hereby grants to Manager a security interest and lien (to the extent that the creation of such lien does not violate any law or statute) in the Assets, and Shareholder grants a lien on, and pledges to Manager, all of the Stock to secure the rights of Manager to exercise the Option.

2. Term of Agreement. This Agreement shall be effective as of the Effective Date and shall continue until the termination of the MSLA, including any extensions thereof or until the Option is exercised but shall in all events terminate and expire twenty (20) years after Shareholder's death (the "Term").

3. Option Price. The purchase price for the Option (the "Option Price") is One Thousand Dollars ($1,000.00) and Practice and Shareholder acknowledge receipt of such payment from Manager.

4. Exercise of Option.

4.1 During the Term of this Agreement, Manager may elect to exercise the Option at any time. In the event of a decision by Manager to exercise the Option, Manager may exercise either the Assets Option or the Stock Option, in its sole discretion. Upon Manager's exercise of the Assets Option as to all of the Assets, Shareholder shall execute on behalf of Practice, the Bill of Sale and Assignment in the form attached as Exhibit Y. Upon exercise of the Stock Option, Shareholder shall execute the Assignment in the form attached as Exhibit Z.

4.2 Notwithstanding the provisions of Section 2 or Section 4.1 hereof, if the MSLA is terminated by either party, for any reason, Manager's right to exercise the Option is automatically and immediately exercisable as of the termination date of the MSLA. Notwithstanding anything to the contrary in this Agreement, the terms of this Section 4.2 shall survive the expiration or sooner termination of this Agreement. To the extent that the Assets Option is exercised by Manager, Manager will send Practice a written notice (the "Assets Exercise Notice") specifying that all of the Assets will be purchased. Manager may designate the Successor Physician who will exercise the Assets Option as Manager elects in its sole discretion. The delivery to Practice of the Asset Exercise Notice shall constitute the formation of an agreement to purchase and sell the Assets on the terms and conditions set forth in this Agreement.

4.3 To the extent that the Stock Option is exercised by Manager, Manager will send Practice a written notice (the "Stock Exercise Notice") specifying the shares of Stock to be purchased ("Sale Shares"). Manager may designate the Successor Physician who will exercise the Stock Option. Immediately upon the sale of Stock by Shareholder pursuant to the terms hereof, Shareholder shall resign as a director and as an officer of the Practice. The delivery to Shareholder of the Stock Exercise Notice shall constitute the formation of an agreement to purchase and sell the Sale Shares on the terms and conditions set forth in this Agreement.

4.4 Manager may cancel any Assets Exercise Notice or Stock Exercise Notice (each, an "Exercise Notice") at any time prior to the closing of the transaction.

4.5 Practice and Shareholder shall cooperate with Manager in any due diligence requested prior to completion of the transaction.

4.6 After the closing of the purchase and sale following exercise of either Option, but subject to all applicable state and federal law and regulations, Practice and Shareholder (as applicable) shall have access to all contracts and records for the preparation or examination of any tax returns of Practice up to and including the taxable year in which the Option was exercised and for the defense of any litigation or claim involving the operations of the Practice. Manager and any assignee of Manager shall retain all such contracts and records for a period of seven (7) years after exercise of the Option in order to ensure the right of Practice and Shareholder to such access. The use of any information by Practice or Shareholder described above shall be strictly limited to the uses described in this paragraph. If Practice or Shareholder accesses such records as described herein, the accessing party shall pay Manager a reasonable fee to access/copy such records.

5. Assignment of the Option. Manager may elect to assign either or both Options to any person by a written assignment that specifically designates the Assets Option or Stock Option, and is signed by both Manager and the assignee. Thereafter, only the assignee named in the assignment shall have the right to exercise the Assets Option or Stock Option, as designated, and that assignee, rather than Manager, shall be deemed to have entered into the purchase agreement upon exercise of the Assets Option or Stock Option, as applicable. When the context so requires in this Agreement, the term "Manager" shall be deemed to refer to an assignee holding an assignment of the Assets Option or Stock Option, as applicable, and the terms "party" and "parties" shall be deemed to include that assignee.

6. Purchase Price

6.1 Purchase Price. The purchase price for all of the Assets shall be the greater of (i) the book value of the Assets of the Practice (net of any assumed liabilities) or (ii) One Thousand Dollars ($1,000.00). In the event that the Stock Option is exercised, the purchase price shall be the greater of (x) the net book value of the Practice (i.e. gross assets less all liabilities), or (y) One Thousand Dollars ($1,000.00).

6.2 Payment. For the Assets and the Stock, Manager shall cause the Successor Physician to pay Practice (or Shareholder, as relevant) the purchase price at Closing in the form of immediately available funds transferred by wire to an account at a financial institution designated by Practice (or Shareholder) or in such other manner as Shareholder and Successor Physician mutually agree.

6.3 Closing. The transactions contemplated by this Agreement are to close ("Closing") on a business day specified by the Manager in the Asset or Stock Exercise Notice (which shall be no later than ten (10) days after the date of the Asset or Stock Exercise Notice ("Closing Date"), unless extended by Manager in its sole discretion).

7. Additional Obligations of Practice and Shareholder.

7.1 Affirmative Covenants. Practice and Shareholder shall:

7.1.1 Conduct of Practice. Conduct Practice's business efficiently, without voluntary interruption and in the ordinary course in a manner consistent with any historical business practices of the business or as comparable to similarly situated businesses;

7.1.2 Use. Make use of the Assets with reasonable care and keep the Assets in good repair;

7.1.3 Value. Perform all reasonable acts necessary to maintain, preserve, and protect the Assets;

7.1.4 Notices; Financing Statements. Execute and deliver to Manager all notices and documents that Manager reasonably requests, in order to provide to third parties on notice of this Agreement, and authorizes Manager to file such financing statements (including a financing statement claiming a lien on "All Assets") as Manager deems appropriate to perfect the lien and security interest granted herein;

7.1.5 Access. Permit Manager, its representatives, and its agents to inspect the Assets at any time, and to make copies of records pertaining to it, at reasonable times at Manager's request;

7.1.6 Reports. Furnish Manager the reports relating to the Assets at Manager's request;

7.1.7 Defaults. Notify Manager promptly in writing of any default, potential default, or any development that might have a material adverse effect on the Assets, the Stock, or the Practice, or of any pending or threatened litigation that may have a material adverse effect on the Practice;

7.1.8 Expenses. Pay all expenses, including attorneys' fees, incurred by Manager in the perfection, preservation, realization, enforcement, and exercise of its rights under this Agreement, including but not limited to accounting, correspondence, collection efforts, filing, recording, and recordkeeping;

7.1.9 Indemnity. Indemnify Manager against losses, liabilities, or damages, costs and expenses of any kind, including reasonable attorneys' fees, caused to Manager by reason of its interest in the Assets and/or the Stock;

7.1.10 Taxes. Pay promptly when due all taxes and assessments owed in connection with the Assets and the Stock; and

7.1.11 Delivery of Certificates. Deliver to Manager all certificates heretofore issued representing all of the shares of Practice's capital stock held of record or beneficially owned by Shareholder, to be held by Manager as pledgee, and each certificate hereafter issued representing any share of Practice's capital stock, with each certificate endorsed in blank for transfer. Each such certificate shall have affixed to the back of the certificate a legend substantially as follows:

> "The rights of any holder of any share evidenced by this certificate, including the right to dispose of the securities represented by this certificate or any interest therein, are subject to and restricted by a certain Assignable Option Agreement dated [MONTH DAY, 20__], as amended or supplemented from time to time, among the issuer, all the issuer's shareholders, and Manager. The issuer will mail without charge to any holder of these shares a copy of such agreement, together with any amendments or addenda thereto, within five (5) days of receipt by the issuer of a written request therefor."

7.2 Negative Covenants. Without the prior written consent of Manager, Practice and Shareholder shall not:

7.2.1 Transfer. Sell, lease, transfer, or otherwise dispose of the Assets or Stock;

7.2.2 Debt. Incur, guarantee, assume or otherwise become liable for any borrowing or increase any existing indebtedness; or discharge or cancel any debt owed to Practice;

7.2.3 No Further Hypothecation. Pledge, hypothecate, encumber, redeem or dispose of the Assets, the Stock or any interest therein until all of Practice's obligations under this Agreement have been fully satisfied or the Assets or the Stock has been released;

7.2.4 Location. Move the Assets from their present locations without the prior written consent of Manager;

7.2.5 Use. Use the Assets or the Stock for any unlawful purpose or in any way that would void any effective insurance;

7.2.6 Name and Location Changes. Change the name or place of business or use a fictitious business name without the prior express consent of Manager; and

7.2.7 Issuance of Stock; Change in Ownership; Mergers and Consolidation. Permit any issuance of Stock, other equity, or debt; permit any change in the composition or respective percentage ownership of Practice; permit Practice to be merged, consolidated or otherwise reorganized with or into any other corporation, partnership, trade, business, or the like; amend or otherwise modify its articles of incorporation and bylaws; dissolve; or enter into any agreement with any person to do any of the foregoing.

7.3 Confidentiality. The parties shall use all good faith efforts to keep the contents of this Agreement and all other aspects of the negotiations preceding execution of this Agreement confidential. Unless required by law, Practice, Manager, and Shareholder shall not disclose the contents of this Agreement or the negotiations leading to this Agreement to third parties without the prior written consent of the other parties. Notwithstanding anything to the contrary in this Section 7.3, Manager may disclose information in connection with the contents of this Agreement or the negotiations leading to this Agreement to third parties. Manager shall ensure that all of the assignees likewise comply with the obligations of confidentiality imposed by this Section, except that Manager and the assignees may disclose the contents of such to their respective agents, representatives, contractors, and employees to the extent necessary to exercise their respective rights or perform their respective obligations hereunder.

7.4 General.

7.4.1 Compliance with Law. Practice and Shareholder shall comply with all applicable requirements of applicable state and federal law and regulations, and licensing and accreditation authorities.

7.4.2 Relationship of Parties. In the exercise of and the performance of their respective obligations under this Agreement, Practice and Shareholder on the one hand and Manager (or any assignee) on the other hand are acting in the capacity of the grantor and grantee of an option to purchase all of the Stock and/or all of the Assets, and nothing in this Agreement is intended nor shall be construed to create between the parties an employer/employee relationship, a partnership or joint venture relationship or a landlord/tenant relationship.

7.4.3 Successors and Assigns. Notwithstanding any other provision of this Agreement, neither this Agreement nor the rights and duties of this Agreement may be assigned or delegated by Practice. This Agreement binds the successors, heirs, and authorized assignees of the parties.

7.4.4 Entire Agreement. Except as expressly provided in this Agreement to the contrary, the following constitutes the entire agreement between the parties with respect to the Option, and supersedes all other and prior agreements on the same subject, whether written or oral, and contain all of the covenants and agreements among the parties with respect to the subject matter hereof: (i) this Agreement, including the incorporated exhibits herein; and (ii) the MSLA, including the incorporated exhibits therein. Except as

expressly provided in this Agreement to the contrary, each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any other party hereto, or by anyone acting on behalf of any party hereto, that are not embodied herein, and that no agreement, statement, or promise not contained in this Agreement shall be valid or binding.

7.4.5 Counterparts. This Agreement, and any amendments hereto, may be executed in counterparts, each of which shall constitute an original document, but which together shall constitute one and the same instrument.

7.4.6 Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

7.4.7 Notices. Any notices required or permitted to be given hereunder by any party to another shall be in writing and shall be deemed delivered upon personal delivery, (a) twenty-four (24) hours following (i) deposit with a recognized overnight delivery service, or (ii) sent by email or other electronic means that preserves a record of dispatch and receipt, or (b) or seventy-two (72) hours following deposit in the U.S. Mail, registered or certified mail, postage prepaid, return-receipt requested, addressed to the parties at the following addresses or to such other addresses as the parties may specify in writing:

If to Manager: [FRANCHISEE/MSO]
[FRANCHISEE/MSO ADDRESS]

If to Shareholder: [PHYSICIAN]
[PHYSICIAN ADDRESS]

If to Practice: [NAME OF PROFESSIONAL CORPORATION]
[PRACTICE ADDRESS]

7.4.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [State] without regard to the conflicts of law principles thereof.

7.4.9 Amendment. This Agreement may be amended at any time by agreement of the parties, provided that any amendment shall be in writing and executed by all parties.

7.4.10 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions will nevertheless continue in full force and effect, unless such invalidity or unenforceability would defeat an essential business purpose of this Agreement.

7.4.11 Fees and Expenses. Practice, Shareholder, and Manager each shall bear their own expenses, including, without limitation, attorneys' and accountants' fees, incurred in connection with the preparation of this Agreement and the transactions contemplated hereby.

7.4.12 Exhibits and Schedules. All attachments and schedules attached to this Agreement are incorporated herein by this reference and all references herein to "Agreement" shall mean this Agreement together with all such exhibits and schedules.

7.4.13 Attorneys' Fees. Should any of the parties hereto institute any action or procedure to enforce this Agreement or any provision hereof (including without limitation, arbitration), or for damages by reason of any alleged breach of this Agreement or of any provision hereof, or for a declaration of rights hereunder (including, without limitation, by means of arbitration), the prevailing party in any such action

or proceeding shall be entitled to receive from the other party all costs and expenses, including without limitation reasonable attorneys' fees, incurred by the prevailing party in connection with such action or proceeding.

7.4.14 Further Assurances. The parties shall take such actions and execute and deliver such further documentation as may reasonably be required in order to give effect to the transactions contemplated by this Agreement and the intentions of the parties hereto.

7.4.15 Rights Cumulative. The various rights and remedies herein granted to the respective parties hereto shall be cumulative and in addition to any other rights any such party may be entitled to under law. The exercise of one or more rights or remedies by a party shall not impair the right of such party to exercise any other right or remedy, at law or equity.

7.4.16 Independent Counsel. Each party understands the advisability of seeking legal counsel to review the agreement, and has exercised its own judgment in this regard. Further, none of the parties have relied on the others in the approval of the terms of the agreement. Practice and Shareholder acknowledge that each has read this agreement and that each of Practice and Shareholder have had the opportunity to confer with separate counsel in negotiating this agreement, and that [MANAGER LAW FIRM] does not represent, nor is it providing advice to Practice or Shareholder. Accordingly, this agreement shall be construed neither for nor against any one of the parties, but shall be given a fair and reasonable interpretation in accordance with the meaning of its terms.

(Signatures on following page)

IN WITNESS WHEREOF, the Parties agree to the foregoing terms of agreement through the execution below by their respective, duly authorized representatives as of the Effective Date.

"MANAGER"

By: _____
Name: [FRANCHISEE/MSO CEO]
Title:[CEO]

"SHAREHOLDER"

By: _____
[PHYSICIAN], an individual

"**PRACTICE**"

By:_____
Name: [PHYSICIAN]
Title:President

SPOUSAL JOINDER AND CONSENT

I am the spouse of [PHYSICIAN], the sole shareholder (the "Shareholder") of [NAME OF PROFESSIONAL CORPORATION], Practice, a [State] professional corporation ("Practice"). To the extent that I have any interest in any of the Assets or Stock (as those terms are defined in the Assignable Option Agreement (the "Assignable Option Agreement")), entered into as of [MONTH DAY, 20__], by and among [FRANCHISEE/MSO], a [FRANCHISEE/MSO STATE] [FRANCHISEE/MSO ENTITY TYPE] ("Manager"), the Shareholder and Practice, I hereby (i) agree that all of my interest in community property held as such with Shareholder from time to time shall be subject to the claims of Manager, (ii) join in the Assignable Option Agreement and (iii) agree to be bound by the Assignable Option Agreement's terms and conditions to the same extent as my spouse. I have read the Assignable Option Agreement, understand its terms and conditions, and to the extent that I have felt it necessary, have retained independent legal counsel to advise me concerning the legal effect of the Assignable Option Agreement and this Spousal Joinder and Consent.

I understand and acknowledge that the Manager is significantly relying on the validity and accuracy of this Spousal Joinder and Consent in entering into the Assignable Option Agreement.

Executed this _____ day of _____, _____.

Sign:
Printed Name:

(EXHIBIT H-7 CONTINUED)

EXHIBIT X OF ASSIGNABLE OPTION AGREEMENT

SHARES

Certificate Number 1 for [ten thousand (10,000)] shares of the common stock of [NAME OF PROFESSIONAL CORPORATION], a [State] professional corporation has been issued to [PHYSICIAN].

(EXHIBIT H-7 CONTINUED)

EXHIBIT Y OF ASSIGNABLE OPTION AGREEMENT

BILL OF SALE/ ASSIGNMENT

FOR VALUABLE CONSIDERATION, the receipt and adequacy of which are hereby acknowledged, [NAME OF PROFESSIONAL CORPORATION], a [State] professional medical corporation ("Seller"), hereby sells and assigns to _____, a _____ ("Purchaser"), and its successors and assigns, to have and to hold forever, one hundred percent (100%) of all of the right, title and interest of Seller in every item of property that is listed as follows:

1. All contracts and agreements of Seller, including, but not limited to, all payor contracts, employment agreements and independent contractor agreements.

2. All cash, bank balances, monies in possession of any bank, other cash items, marketable securities of Seller and prepaid deposits relating to the Seller's medical practice.

3. All Accounts Receivable of Seller. As used herein, "Accounts Receivable" shall include all rights to payment for goods or services rendered, whether or not yet earned by performance, all other obligations and receivables from other sources no matter how evidenced relating to the Seller's medical practice, including purchase orders, notes, instruments, drafts and acceptances and all guarantees of the foregoing and security therefor and the rights to all proceeds to such Accounts Receivable, to the extent the Accounts Receivable may not be transferred.

4. All patient records and files relating to Seller's medical practice.

5. All of Seller's goodwill relating to its medical practice, which may include location goodwill, name recognition goodwill, patient allegiance, etc., subject to the terms of the Management Services and Licensing Agreement between Seller and [FRANCHISEE/MSO].

6. All business, financial and accounting records and books of account relating to Seller's medical practice, exclusive of Seller's Articles, Bylaws, corporate minutes, stock shares and general ledger.

7. Seller's right to reimbursement for all professional services provided to patients of Seller's medical practice.

8. All trademarks, trade names, fictitious business names, copyrights, logos, licenses, ownership interests in telephone numbers at Seller's medical practice, or related items of Seller that in any way pertain to its medical practice and are owned by Seller.

In addition, Seller hereby sells and assigns to Purchaser one hundred percent (100%) of all of Seller's right, title and interest in Seller's contracts and agreements which are related to Seller's medical practice and Purchaser hereby accepts such assignment and assumes and agrees to be bound by and to perform one hundred percent (100%) of all of the duties and obligations of Seller thereunder first arising after the date hereof.

Purchaser and Seller will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, each and all of such further acts, deeds, assignments, transfers, conveyances,

powers of attorney and assurances as may reasonably be required by Seller to sell and assign to Purchaser, its successors and assigns, title to the assets sold and assigned by this Bill of Sale/Assignment.
THIS BILL OF SALE/ASSIGNMENT DOES NOT INCLUDE THE ASSUMPTION OF ANY LIABILITIES OR OBLIGATIONS (EXCEPT TO THE EXTENT EXPRESSLY PROVIDED FOR HEREIN), ALL OF WHICH LIABILITIES AND OBLIGATIONS SHALL REMAIN THE SOLE RESPONSIBILITY OF SELLER.

IN WITNESS WHEREOF, Seller and Purchaser have executed this Bill of Sale/Assignment and Assumption Agreement effective as of the _____ day of _____, 20___.

Seller: [NAME OF PROFESSIONAL CORPORATION]

Sign:
Printed Name:
Title:

Purchaser: _____,

Sign:
Printed Name:
Title:

(EXHIBIT H-7 CONTINUED)

EXHIBIT Z OF ASSIGNABLE OPTION AGREEMENT

ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, ("Assignor"), does hereby assign and transfer to _____ shares of common stock of [NAME OF PROFESSIONAL CORPORATION] (the "Corporation"), standing in the name of Assignor on the books of the Corporation represented by Certificate No. [1], and hereby irrevocably constitute and appoint any party to transfer said stock on the books of the Corporation with full power of substitution in the premises.

_____
[PHYSICIAN]

Dated: _____

This Assignment Separate From Certificate may be executed and delivered via facsimile transmission or via email with scan attachment, which will be deemed an original for all intents and purposes.

(EXHIBIT H-7 CONTINUED)

EXHIBIT 8.1 OF MANAGEMENT SERVICES AND LICENSING AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement ("Agreement") is entered into as of [MONTH DAY, 20__] ("Effective Date"), by and between [FRANCHISEE/MSO], a [FRANCHISEE/MSO STATE] [FRANCHISEE/MSO ENTITY TYPE] ("Business Associate") and [NAME OF PROFESSIONAL CORPORATION], a [State] professional medical corporation ("Covered Entity"). The Covered Entity is referred to below as "CE." The Business Associate is referred to below as "BA."

RECITALS

WHEREAS,

A. This Agreement is entered into by CE and BA for the purposes of complying with privacy and security regulations issued by the United States Department of Health and Human Services under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the Health Information Technology for Economic and Clinical Health Act ("HITECH Act").

B. CE is a covered entity as such term is defined under HIPAA, and as such is required to comply with the requirements thereof regarding the confidentiality and privacy of Protected Health Information (defined below).

C. This Agreement will facilitate the ongoing operations of a healthcare enterprise through which CE provides medical services to patients and for which BA provides administrative services pursuant to that certain Management Services and Licensing Agreement between them of even date hereof ("Services Agreement").

NOW THEREFORE, in consideration of the promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

TERMS OF AGREEMENT

1. **DEFINITIONS**

For the purposes of this Agreement, the following terms shall have the meanings ascribed to them below:

1.1. "Breach" shall have the meaning given to such term pursuant to 45 C.F.R. § 164.402.

1.2. "Business Associate" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.3. "Covered Entity" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.4. "Designated Record Set" shall have the meaning given to such term pursuant to 45 C.F.R. § 164.501.

1.5. "Disclosure" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.6. "Electronic Protected Health Information" or "ePHI" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.7. "Individual" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.8. "Individually Identifiable Health Information" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.9. "Minimum Necessary" shall have the meaning given to such term pursuant to 45 C.F.R. §§ 164.502(b) and 164.514(d).

1.10. "Privacy Rule" shall mean the privacy standards for the protection of the privacy of Individually Identifiable Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and E.

1.11. "Protected Health Information" or "PHI" shall have the meaning given to such term pursuant to 45 C.F.R. §§ 160.103.

1.12. "Required by Law" shall have the meaning given to such term pursuant to 45 C.F.R. § 164.103.

1.13. "Secretary" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.14. "Security Incident" shall have the meaning given to such term pursuant to 45 C.F.R. § 164.304.

1.15. "Security Rule" shall mean the security standards for the protection of Electronic Protected Health Information at 45 C.F.R. Part 160 and Part 164, Subparts A and C.

1.16. "Subcontractor" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

1.17. "Unsecured Protected Health Information" or "Unsecured PHI" shall have the meaning given to such term pursuant to 45 C.F.R. § 164.402.

1.18. "Use" shall have the meaning given to such term pursuant to 45 C.F.R. § 160.103.

2. OBLIGATIONS OF BUSINESS ASSOCIATE

2.1. Permitted Uses and Disclosures of PHI. BA, its directors, officers, Subcontractors, employees, affiliates, agents, and representatives shall use or disclose PHI: (a) in connection with fulfilling its duties and obligations under this Agreement and the Services Agreement; (b) for the proper management and administration of BA; or (c) to carry out the legal responsibilities of BA.

2.2. Prohibited Uses and Disclosures of PHI. BA shall not use or disclose PHI other than as permitted or Required by Law. BA shall not use or disclose PHI in any manner that violates state or federal laws or would violate such laws if used or disclosed in such manner by CE.

2.3. Performance of CE's Obligation(s). To the extent BA is to carry out CE's obligation(s), BA must comply with all requirements that apply to CE in the performance of such obligation(s).

2.4. Third Party Disclosures. BA shall obtain and maintain an agreement with each Subcontractor that has or will have access to PHI which is received from, created, or received by BA on behalf of CE, pursuant to which agreement such Subcontractor agrees to be bound by the same restrictions, terms, and conditions that apply to BA pursuant to this Agreement with respect to such PHI. BA shall also: (a) obtain reasonable assurances from the Subcontractor that the PHI will be held in confidence and used or further disclosed only as Required by Law or for the purpose for which it was disclosed; and (b) obligate such person to notify BA of any instance in which PHI is used or disclosed that is not provided for in the Services Agreement, including incidents that constitute breaches of Unsecured PHI or any Security Incident of which it becomes aware in which the confidentiality of the PHI has been breached.

2.5. Minimum Necessary. BA and its agents or Subcontractors shall request, use, and disclose only the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. To the extent BA uses or discloses PHI received from, created, or received by BA on behalf of CE, BA will make reasonable efforts to limit PHI to the Minimum Necessary to accomplish the intended purpose of the use, disclosure, or request.

2.6. Access of Individuals to PHI.

2.6.1. BA shall make PHI maintained by BA or its agents or Subcontractors available to CE for inspection and copying within three (3) business days of a written request by CE to enable CE to fulfill its obligations under the Privacy Rule and state law. If BA maintains ePHI, BA shall provide such information in electronic format to enable CE to fulfill its obligations under 45 C.F.R. § 164.524.

2.6.2. In the event an Individual or entity requests access to PHI from BA, BA shall forward such request to CE within two (2) business days. CE is responsible for determining what PHI shall be unavailable to the Individual pursuant to 45 C.F.R. § 164.524.

2.6.3. Any denial of access to PHI determined by CE pursuant to 45 C.F.R. § 164.524, and conveyed to BA by CE, shall be the responsibility of CE, including resolution or reporting of all appeals, and/or complaints arising from denials.

2.7. Amendment of PHI.

2.7.1. As applicable, in order to allow CE to respond to a request by an Individual for an amendment pursuant to 45 C.F.R. § 164.526, BA shall, within three (3) business days of a written request by CE for PHI about an Individual contained in a Designated Record Set, make such PHI available to CE for so long as such information is maintained in the Designated Record Set.

2.7.2. In the event that any Individual requests that the BA amend his or her PHI, BA shall forward such request to CE within two (2) business days. The CE is responsible for determining what PHI is unavailable to the Individual pursuant to 45 C.F.R. § 164.526.

2.7.3. Any denial of an amendment to PHI determined by CE pursuant to 45 C.F.R. § 164.526, and conveyed to BA by CE, shall be the responsibility of CE, including resolution or reporting of all appeals and/or complaints arising from denials.

2.7.4. As applicable, within ten (10) business days of receipt of a request from CE to amend an Individual's PHI in a Designated Record Set, BA shall incorporate any amendments, statements of disagreement, and/or rebuttals approved by CE into its Designated Record Set, as required by 45 C.F.R. § 164.526.

2.8. Accounting of Disclosures.

2.8.1. In order to allow CE to respond to a request by an Individual for an accounting of disclosures of a Designated Record Set pursuant to 45 C.F.R. § 164.528, BA shall, within five (5) business days of a CE's written request for an accounting of disclosures of PHI about an Individual, make such information available to CE. As applicable, BA shall provide CE with the following information: (a) the date of the disclosure; (b) the name of the entity or person who received the PHI, and, if known, the address of such entity or person; (c) a brief description of the PHI disclosed; and (d) a brief statement of the purpose of such disclosure.

2.8.2. In the event an Individual requests an accounting of disclosures of PHI directly from BA, BA shall forward such request to CE within two (2) business days.

2.8.3. As applicable BA shall implement an appropriate recordkeeping process of Designated Records Sets to enable it to comply with the requirements of 45 C.F.R. § 164.528.

2.9. Subpoena or Legal Request for PHI. BA shall notify CE within two (2) business days of receipt of any request, subpoena, or other legal process to obtain PHI received from, or created or received by BA on behalf of CE. CE, in conjunction with BA, shall determine whether BA may disclose PHI pursuant to such request, subpoena, or other legal process. The provisions of this Section 2.9 shall survive the termination of this Agreement.

2.10. Reporting Breaches, Improper Disclosures, and Security Incidents.

2.10.1. Breaches. In the event of a Breach of any Unsecured PHI that BA accesses, maintains, retains, modifies, records, stores, destroys, or otherwise holds or uses on behalf of CE, BA shall report such Breach to CE immediately, but in no event more than twenty-four (24) hours after discovering the breach.

2.10.2. Improper Disclosures. BA shall report any unauthorized or improper use or disclosure of PHI regarding the terms and conditions of this Agreement or applicable federal and state laws to CE as soon as practicable, but in no event later than two (2) business days of the date on which BA becomes aware of such unauthorized or improper use or disclosure. BA shall, in consultation with CE, mitigate to the extent practicable any harmful effect of such improper disclosures.

2.10.3. Security Incidents. BA shall report to CE any Security Incident of which it becomes aware on a quarterly basis.

2.11. Safeguards. BA shall implement appropriate administrative, technical, and physical safeguards, consistent with the size and complexity of BA's operations, to protect the confidentiality and security of PHI that it creates, receives, maintains, or transmits on behalf of CE and to prevent the use or disclosure of PHI in any manner inconsistent with the terms of this Agreement.

2.12. Availability of Books and Records to CE. Within ten (10) calendar days of a written request by CE, BA and its agents or Subcontractors shall permit CE to audit BA's internal practices, books, and records at reasonable times as they pertain to the use and disclosure of PHI received from, or created or received by BA on behalf of CE in order to ensure that CE and BA are in compliance with the requirements of this Agreement, and to the extent that CE determines such examination is necessary to comply with CE's obligations pursuant to HIPAA. The availability of books and records from BA to CE is subject to the following conditions:

2.12.1. BA and CE shall mutually agree in advance upon the scope, timing, and location of such an inspection.

2.12.2. CE shall protect the confidentiality of all confidential and proprietary information of BA to which CE has access during the course of inspection.

2.12.3. CE shall execute a nondisclosure agreement, under terms mutually agreed upon by the parties, if requested by BA.

2.13. Governmental Access to Records. BA shall make its internal practices, books, and records relating to the use and disclosure of PHI available to the Secretary for purposes of determining BA's compliance with the Privacy Rule and the Security Rule. BA shall notify CE within ten (10) calendar days of learning that BA has become the subject of an audit, compliance review, or complaint investigation by the Secretary.

3. OBLIGATIONS OF COVERED ENTITY

3.1. General Obligations. CE warrants that CE, its directors, officers, subcontractors, employees, affiliated agents, and representatives: (a) shall comply with the Privacy Rule in its use or disclosure of PHI; (b) shall not use or disclose PHI in any manner that violates applicable federal and state laws; (c) shall not request BA to use or disclose PHI in any manner that violates applicable federal and state laws if such use or disclosure were done by CE; and (d) may request BA to disclose PHI directly to another party only for the purposes allowed by the Privacy Rule.

3.2. Breach. CE shall provide notice to BA of any pattern of activity or practice of BA that CE believes constitutes a material breach or violation of the BA's obligation under the Services Agreement or this Agreement within ten (10) calendar days of discovery and shall meet with BA to discuss and attempt to resolve the problem as one of the reasonable steps to cure the breach or end the violation.

3.3. Notice of Privacy Practices. CE will notify BA of any limitation(s) in its notice of privacy practices in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect BA's use or disclosure of PHI. CE shall provide such notice no later than fifteen (15) days prior to the effective date of the limitation.

3.4. Notification of Changes Regarding Individual Permission. CE shall notify BA of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI. CE shall provide such notice no later than fifteen (15) days prior to the effective date of the change.

3.5. Notification of Restrictions to Use or Disclosure of PHI. CE shall notify BA of any restriction to the use or disclosure of PHI that CE has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect BA's use or disclosure of PHI. CE shall provide such notice no later than fifteen (15) days prior to the effective date of the restriction.

3.6. Permissible Requests by CE. CE shall not request BA to use or disclose PHI in any manner that would not be permissible under HIPAA if done by CE, except as permitted pursuant to Section 2.

4. TERM AND TERMINATION

4.1. Term. This Agreement shall have a term co-extensive with the Services Agreement.

4.2. Material Breach. This Agreement may be terminated by either party upon a material breach by the other party, provided that the non-breaching party provides the breaching party within fifteen (15) days' written notice of any such breach, during which period of time the breaching party shall have the opportunity to cure any such breach. If any such breach is cured by the breaching party during such period of time, it shall be as if such breach never occurred and this Agreement shall continue in full force and effect, unaffected by the non-breaching party's notice.

4.3. Effect of Termination. Upon termination of this Agreement, BA shall return or destroy all PHI that BA or its agents or Subcontractors maintain in any form and shall retain no copies of such PHI. If return or destruction is not feasible, as determined by BA, BA shall continue to extend the protections of Section 2 of this Agreement to such information, and limit further use of such PHI to those purposes that make the return or destruction of such PHI impractical. All destruction shall be in accordance with HIPAA, the HITECH Act, and applicable state law.

5. INSURANCE AND INDEMNIFICATION

5.1. Insurance. The parties shall obtain and maintain cyber liability insurance covering claims based on a violation of the Privacy Rule or any applicable law or regulation concerning the privacy of patient information and claims based on obligations pursuant to this Agreement with coverage of not less than One Million Dollars ($1,000,000) per occurrence.

5.2. Indemnification. Each party hereby indemnifies and holds the other party and its employees and agents harmless from and against any and all loss, liability, or damages, including reasonable attorneys' fees, arising out of or in any manner occasioned by a breach of any provision of this Agreement by such breaching party, its employees, agents, or Subcontractors. Nothing herein is intended to defeat the application of insurance proceeds in the first instance to make whole a party claiming indemnification hereunder; all such indemnification requests made hereunder are to be made only to the extent the damages suffered have not been covered by insurance proceeds.

6. MISCELLANEOUS

6.1. Amendment. The parties agree to take such action to amend this Agreement from time to time as is necessary to comply with the requirements of HIPAA, the HITECH Act, and state law.

6.2. Notices. Notices shall be given in the manner provided by the Services Agreement.

6.3. Disclaimer. BA makes no warranty or representation that compliance by BA with this Agreement, HIPAA, or the HITECH Act will be adequate or satisfactory for CE's own purposes. CE is solely responsible for all decisions made by CE regarding the safeguarding of PHI.

6.4. No Third-Party Beneficiaries. Except as expressly provided for in the Privacy Rule, there are no third-party beneficiaries to this Agreement.

6.5. Effect on Services Agreement. Except as specifically required to implement the purposes of this Agreement, or to the extent inconsistent with this Agreement, all other terms of the Services Agreement shall remain in force and effect.

6.6. Interpretation. The provisions of this Agreement shall prevail over any provisions in the Services Agreement that may conflict with or are inconsistent with any provision in this Agreement. This Agreement and the Services Agreement shall be interpreted as broadly as necessary to implement and

comply with HIPAA, the HITECH Act, and related state law. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act and relevant state laws. State regulations will prevail if and where they are more stringent than Federal regulations.

6.7. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of [State].

IN WITNESS WHEREOF, the parties hereto agree to the foregoing through the execution of this Agreement by their respective duly authorized representatives below as of the Effective Date hereof.

COVERED ENTITY
[NAME OF PROFESSIONAL CORPORATION]

By:_____
Name: [PHYSICIAN]
Title: President

BUSINESS ASSOCIATE
[FRANCHISEE/MSO]

By:_____
Name: [FRANCHISEE/MSO CEO]
Title: [CEO]

EXHIBIT H-8

HERWAY FRANCHISE

SAMPLE WAIVER OF MANAGEMENT AGREEMENT

This Waiver of Management Agreement ("Addendum") is made and entered into on _____, 202__ by and between HerWay Health Franchise, LLC, a Delaware limited liability company ("Franchisor" or "we" or "us"), and _____, a _____ ("Franchisee" or "you").

RECITALS

A. We and you are parties to a HerWay Health Franchise, LLC Franchise Agreement dated as of the same date as this Addendum (the "Franchise Agreement"), which pertains to the management and operation of a Herway Business at a facility operating under the name "Herway" (which is referred to as the "Clinic") (together the management and operation of a Clinic will be referred to as the "Franchised Business") with the "Territory" as described in the Franchise Agreement. Your Clinic will be located and operated in the state of _____.

B. We and you wish to amend the terms of the Franchise Agreement as described below.

C. All capitalized terms not defined in this Addendum will have the meaning set forth in the Franchise Agreement, or the Management Agreement (as defined below).

NOW THEREFORE, we and you, in consideration of the undertakings and commitments of each party to the other party set forth herein and in the Franchise Agreement, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, mutually agree as follows:

1. Franchisee's Representations and Warranties:

a. You understand and agree that you are solely responsible for operating in full compliance with all laws that apply to your Franchised Business. The laws regulating the medical industry include without limitation, federal, state and local regulations relating to: the practice of medicine and the operation and licensing of medical services; the relationship of providers and suppliers of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kickback laws; restrictions or prohibition on fee splitting; physician self-referral restrictions; payment systems for medical benefits available to individuals through insurance and government resources; privacy of patient records; use of medical devices; and advertising of medical services (together such are, "Medical Regulations").

b. You represent and warrant to us that: (i) you have conducted independent research regarding the Medical Regulations that are applicable to urgent care centers and medical services generally, and the Franchised Business specifically in the Territory, including retaining the services of qualified professional advisers as necessary; (ii) you have verified that under the Medical Regulations applicable to your Franchised Business, you are permitted to both manage the Clinic and operate the Clinic, including hiring any medical and professional personnel and providing medical services to patients at the Clinic.

c. You have requested that, based on your representations and warranties to us as to the Medical Regulations applicable to your Franchised Business, we waive the requirements of the Franchise Agreement that you (i) enter into a management agreement with a Medical Professional, which as a separate entity would operate the Clinic and provide all medical and urgent care services, and (ii) you refrain from

providing any medical services to patients or hiring and supervising medical providers, subject to all applicable Medical Regulations.

d. You acknowledge and agree that we are entering into this Addendum in reliance on your representations and warranties. You understand and agree that your obligations to operate in compliance with Medical Regulations will continue throughout the term of the Franchise Agreement, and if there are any changes in Medical Regulations that would render your operation of the Clinic in violation of any Medical Regulation, you will immediately advise us of such change and of the your proposed corrective action to comply with Medical Regulations, including (if applicable) entering into a management agreement with a Medical Professional.

e. You acknowledge and agree that by requesting us to permit you to perform all of the activities and obligations of the Medical Professional (rather than signing a management agreement with a Medical Professional that would operate the Clinic), you will incur all costs of both managing and operating the Clinic, including those costs that would otherwise be borne by the Medical Professional (such as obtaining all necessary licensing and certification for practicing medicine and compensation of medical professionals). You have researched the costs associated with both managing and operating the Clinic.

2. Based on your representations and warranties to us above, you and we agree as follows:

a. Notwithstanding anything to the contrary in the Franchise Agreement, including Section 2, you are not required by the Franchise Agreement to enter into a Management Agreement with a Medical Professional, provided that you comply with applicable Medical Regulations.

b. Notwithstanding anything to the contrary in the Franchise Agreement, including Section 2, you are not restricted from providing medical services to the Clinic's patients, or from hiring and supervising the physicians and employees who are legally authorized to provide medical services to patients of the Clinic.

c. Instead of entering into the Management Agreement with a separate Medical Professional, you agree to be solely responsible for operating the Clinic and providing, or arranging for and supervising the provision of, medical services to the patients of the Clinic. You, therefore, agree that you will perform all responsibilities and obligations of the "Practice" as set forth in the form of Management Agreement attached to this Addendum as Exhibit A (the "Management Agreement"), which are hereby incorporated into this Addendum. Without limiting the foregoing, you acknowledge and agree that these obligations include, but are not limited to:

i. being responsible for all aspects of the diagnostic, therapeutic and related professional services delivered by the physicians at the Clinic; selecting, training, supervising and employing (or otherwise engaging) all physicians; ensuring that the Clinic and all physicians maintain all necessary licenses and credentials; establishing and maintaining quality and standards of patient care, as described in Section 5 of the Management Agreement;

ii. maintaining malpractice and other insurance as described in Section 5 of the Management Agreement; and

iii. indemnifying us as described in Section 9 of the Management Agreement.

d. Instead of entering into the Management Agreement with a separate Medical Professional, you agree to be solely responsible for providing the management and support services necessary for operating the Clinic. You, therefore, agree that you will perform all responsibilities and obligations of the "Manager" as set forth

in the Management Agreement, which are hereby incorporated into this Addendum. Without limiting the foregoing, you acknowledge and agree that these obligations include satisfying the duties and responsibilities of the manager as set forth in Sections 2 and 8 of the Management Agreement;

e. Any reference in the Franchise Agreement to an obligation of, or requirement applicable to, the Medical Professional will be your obligation.

f. Any reference in the Franchise Agreement to the "Franchised Business" will include your activities in both managing and operating the Clinic.

3. Except as otherwise amended above, the Franchise Agreement is otherwise in full force and effect.

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

FRANCHISOR:	**FRANCHISEE:**
HERWAY HEALTH FRANCHISE, LLC, a Delaware limited liability company	[FRANCHISEE ENTITY], [a(n)] [State of Formation/Incorporation] [entity type or individual]

Sign:	Sign:
Printed Name:	Printed Name:
Title:	Title:

EXHIBIT H-9

HERWAY FRANCHISE

SAMPLE FRANCHISEE BUSINESS ASSOCIATE AGREEMENT (HIPAA)

This HIPAA Business Associate Agreement ("Agreement") is entered into this ___day of _____, 202_ by and between _____ ("Covered Entity") and HerWay Health Franchise LLC ("HWH") as required by the Health Insurance Portability and Accountability Act of 1996, the Health Information Technology for Economic and Clinical Improvement Act and regulations promulgated thereunder by the U.S. Department of Health and Human Services ("HHS"), as amended from time to time (collectively, hereinafter "HIPAA"). HWH and the Covered Entity may each be referred to hereinafter as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, Covered Entity and HWH wish to enter into or have entered into one or more arrangements to be memorialized in a written agreement ("Services Agreement") under which HWH will provide certain services to or on behalf of Covered Entity requiring the usage, disclosure, retention, access to or creation of Protected Health Information ("PHI");

WHEREAS, Covered Entity and HWH each intend to protect the confidentiality, security, integrity and availability of the PHI;

NOW, THEREFORE, in consideration of the mutual promises below, the parties agree as follows:

AGREEMENT

1. **Definitions**: Any capitalized terms in this Agreement not otherwise defined herein will have the same meaning as those terms are defined in HIPAA.

2. **Permitted Uses and Disclosures by HWH**:

a. **Permitted Uses and Disclosures**: HWH may Use and Disclose PHI for the purposes set forth within the Service Agreement(s). HWH may Use Protected Health Information to provide Data Aggregation services to Covered Entity upon Covered Entity's request as permitted by HIPAA. HWH may Use PHI to report violations of law to appropriate Federal and State authorities as permitted under HIPAA.

b. **Uses for Management and Administration and Legal Responsibilities**: HWH may Use PHI for its own management and administration or to carry out the legal responsibilities of HWH.

c. **Disclosures for Management and Administration or When Required by Law**: HWH may Disclose PHI for the proper management and administration of HWH or to carry out the legal responsibilities of HWH provided that such disclosures are required by law, or HWH obtains reasonable written assurances from the person to whom information is disclosed that it will remain confidential and be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies HWH of any instances of which it is aware in which the confidentiality of the information has been breached.

d. **De-Identified Information**: HWH may Use PHI to create de-identified health information in accordance with the HIPAA de-identification requirements. HWH may Use and Disclose de-identified health information for any purpose permitted by law.

3. **Obligations of HWH**:

a. **Prohibited Uses and Disclosures**:

(1) HWH and its directors, officers, employees, contractors and agents will not Use or Disclose PHI received from or created for Covered Entity in any manner that would violate HIPAA if used or disclosed by Covered Entity.

(2) HWH and its directors, officers, employees, contractors and agents will not Use or Disclose PHI received from or created for Covered Entity in any manner that would be a violation of the Service Agreement(s) or this Agreement, unless such Use or Disclosure is Required By Law.

b. **Minimum Necessary Representations**: HWH shall Use, Disclose and request PHI in a manner consistent with the Minimum Necessary requirements under HIPAA.

c. **Restriction on Disclosure**: If Covered Entity notifies HWH in writing that it has accepted a restriction on the disclosure of PHI regarding an Individual, HWH will, effective on receipt of the notification, abide by the same restriction.

d. **Access and Amendment to Records Within the Designated Record Set**: This Section 3(d) applies if and only to the extent that HWH maintains any portion of a Designated Record Set on behalf of Covered Entity.

e. **Documenting and Accounting for Disclosures**: HWH shall document disclosures of PHI by HWH as would be necessary for Covered Entity to provide an accounting of the disclosures of PHI and make available such information collected in accordance with HIPAA that will allow Covered Entity to respond to any such requests for an accounting of disclosures.

f. **Required Safeguards To Protect PHI and Adherence to 45 CFR Part 164, Subpart C**: HWH agrees that it will implement appropriate safeguards to prevent the Use or Disclosure of PHI other than as provided for by the terms and conditions of the Service Agreement(s). To the extent that HWH accesses, creates, receives, maintains or transmits PHI in performance of its duties on behalf of Covered Entity, HWH shall have implemented Administrative, Physical and Technical Safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of the PHI regardless of the method of receipt, creation, transmission or storage.

g. **Agents and Subcontractors**: If HWH retains an agent or subcontractor and provides any agent or subcontractor access to PHI that is received from Covered Entity, or is created or received by HWH on behalf of Covered Entity, HWH will enter into an agreement with the agent or subcontractor requiring the agent or subcontractor to follow the same restrictions, terms, and conditions of this Agreement that apply to HWH with respect to such PHI.

h. **Performing Covered Entity's Obligations**: To the extent that HWH is responsible for performing Covered Entity's obligations under the Privacy Rule, HWH shall comply with the requirements of the Privacy Rule that apply to the Covered Entity in the performance of such obligations.

i. **Availability of Books and Records**: HWH agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by HWH on behalf of Covered Entity available to the Secretary for purposes of determining Covered Entity's compliance with HIPAA.

j. **Reporting of Security Incidents and Unauthorized Uses or Disclosures of PHI**: If HWH becomes aware of any Use or Disclosure of PHI that is impermissible under this Agreement or a Breach of Unsecured PHI or Security Incident involving the Use or Disclosure of PHI, HWH shall promptly notify Covered Entity. The parties agree that this section satisfies any notices necessary by HWH to Covered Entity of the ongoing existence and occurrence of attempted but unsuccessful Security Incidents for which no additional notice to Covered Entity shall be required. For purposes of this Agreement, "Security Incidents" shall have the same meaning as such term is defined under HIPAA, but shall not include trivial incidents that occur on a daily basis such as scans, "pings," or routine attempts to penetrate computer networks or servers maintained or utilized by HWH; provided that none of the foregoing compromise the privacy, integrity, and security of PHI.

k. **Data Aggregation**: HWH may Use PHI to provide Data Aggregation services to Covered Entity as permitted by HIPAA. HWH may subsequently create, Use and Disclose De-Identified data unless prohibited by applicable law.

l. **Mitigation**: HWH agrees to mitigate, to the reasonable extent practicable, any harmful effect that is known to HWH of a Use or Disclosure of PHI by HWH in material violation of the requirements of this Agreement.

4. **Obligations of Covered Entity**:

a. **Notice of Changes Regarding PHI**: Covered Entity will provide HWH with any amendments of PHI requested by an Individual, if such changes affect HWH's Uses or Disclosures of PHI.

b. **Notice of Restrictions on Use or Disclosure of PHI**: Covered Entity will notify HWH of any restriction to the Use or Disclosure of PHI that Covered Entity has agreed to in accordance with HIPAA or HITECH.

c. **No Requirement of Improper Use of PHI**: Covered Entity will not request HWH to Use or Disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

d. **HIPAA Compliance**: Covered Entity will comply with HIPAA in its use or disclosure of PHI to HWH.

5. **Changes in the Law**: The Parties agree to reasonably cooperate to amend this Agreement, as appropriate, to conform with any new or revised HIPAA legislation, rules and regulations to which Covered Entity is subject now or in the future (collectively "Laws"). If within ninety (90) days of either Party first providing written notice to the other of the need to amend this Agreement to comply with Laws, the Parties, acting in good faith, are (i) unable to mutually agree upon and make amendments or alterations to this Agreement to meet the requirements in question, or (ii) alternatively, the Parties determine in good faith that amendments or alterations to the requirements are not feasible, then either Party may terminate this Agreement upon thirty (30) days prior written notice. Termination of this Agreement is understood by both Parties to also include termination of the Service Agreement(s) to which this Agreement applies.

6. **Term and Termination**: The Agreement shall be effective as of the Effective Date specified above, and shall terminate upon the termination of the Services Agreement. Upon termination of this Agreement, if feasible, HWH shall ensure the return and destruction of all of the PHI owned by, received, created, transmitted, or maintained by HWH on behalf of Covered Entity, or if such return or destruction is not feasible, extend the protections of this Agreement to the information and limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible.

7. **Notices**: All notices to either Party required under this Agreement shall be sent via first-class mail as follows:

Covered Entity:	**HWH**:
	2035 Corte Del Nogal, Suite 160 Carlsbad, CA 92011

8. **No Agency**: This Agreement is not intended to create an agency or joint venture arrangement between the Parties.

IN WITNESS WHEREOF, the Parties hereto have duly executed this Agreement as of the date set forth at the beginning of this Agreement.

HWH:

HERWAY HEALTH FRANCHISE, LLC,
a Delaware limited liability company

Sign:
Printed Name:
Title:

COVERED ENTITY:

[FRANCHISEE ENTITY],
[a(n)] [State of Formation/Incorporation] [entity type or individual]

Sign:
Printed Name:
Title:

EXHIBIT I

FRANCHISE DISCLOSURE QUESTIONNAIRE

Do not sign this Questionnaire if you are a resident of Maryland or Washington or the franchise is to be operated in Maryland or Washington.

(This questionnaire is not to be used for any franchise sale in or to residents of California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin)

As you know, HerWay Health Franchise, LLC ("we" or "us"), and you are preparing to enter into a Franchise Agreement and Area Development Agreement, if applicable, for the operation of a Herway franchise. **You cannot sign or date this questionnaire the same day as the Receipt for the Franchise Disclosure Document, but you must sign and date it the same day you sign the Franchise Agreement and Area Development Agreement, if applicable.** Please review each of the following questions carefully and provide honest responses to each question. If you answer "No" to any of the questions below, please explain your answer in the table provided below.

1.	Yes__	No__	Have you received and personally reviewed the Franchise Agreement and Area Development Agreement, if applicable, and each attachment or exhibit attached to it that we provided?
2.	Yes__	No__	Have you received and personally reviewed the Franchise Disclosure Document and each attachment or exhibit attached to it that we provided?
3.	Yes__	No__	Did you sign a receipt for the Franchise Disclosure Document indicating the date you received it?
4.	Yes__	No__	Do you understand all the information contained in the Franchise Disclosure Document and Area Development Agreement, if applicable?
5.	Yes__	No__	Have you reviewed the Franchise Disclosure Document and the Franchise Agreement (and Area Development Agreement, if applicable) with a lawyer, accountant, or other professional advisor, or have you had the opportunity for such review and chosen not to engage such professionals?
6.	Yes__	No__	Do you understand the risks of developing and operating a Herway Franchise?
7.	Yes__	No__	Do you understand the success or failure of your Herway Franchise will depend in large part upon your skills, abilities, and efforts, and those of the persons you employ, as well as many factors beyond your control such as competition, interest rates, the economy, inflation, labor and supply costs, and other relevant factors?
8.	Yes__	No__	Do you understand all disputes or claims you may have arising out of or relating to the Franchise Agreement and Area Development Agreement, if applicable, must be litigated in California, if not resolved informally or by mediation (subject to state law)?

9. Yes__ No__ Do you understand that you must satisfactorily complete the initial training program before we will allow your Herway Franchise to open or consent to a transfer of the Herway Franchise to you?

10. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the costs involved in operating a Herway Franchise that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

11. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise or agreement, other than those matters addressed in your Franchise agreement and Area Development Agreement, if applicable, and any addendum, concerning advertising, marketing, media support, marketing penetration, training, support service, or assistance that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

12. Yes__ No__ Do you agree that no employee or other person speaking on our behalf made any statement or promise regarding the actual, average or projected profits or earnings, the likelihood of success, the amount of money you may earn, or the total amount of revenue a Herway Franchise will generate that is not contained in the Franchise Disclosure Document or that is contrary to, or different from, the information contained in the Franchise Disclosure Document?

13. Yes__ No__ Do you understand that the Franchise Agreement and Area Development Agreement, if applicable, including each attachment or exhibit to the Franchise Agreement and Area Development Agreement, if applicable, contains the entire agreement between us and you concerning the Herway Franchise?

14. Yes__ No__ Do you understand that we are relying on your answers to this questionnaire to ensure that the franchise sale was made in compliance of state and federal laws?

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

Sign:
Printed Name:
Date:

Sign:
Printed Name:
Date:

EXPLANATION OF ANY NEGATIVE RESPONSES (REFER TO QUESTION NUMBER):

Question Number	Explanation of Negative Response

Rev. 112025

EXHIBIT J

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT K

RECEIPTS

RECEIPT
(Retain This Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HerWay Health Franchise, 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.

Under Iowa law, if applicable, HerWay Health Franchise, LLC, must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires HerWay Health Franchise, LLC, to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If HerWay Health Franchise, LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit A.

Evan Miller, 2035 Corte Del Nogal, Suite 160, Carlsbad, California 92011, (858) 292-9202

Issuance Date: July 27, 2026

I received a disclosure document issued July 27, 2026 which included the following exhibits:

Exhibit A	List of State Administrators and Agents for Service of Process
Exhibit B	Financial Statements
Exhibit C	Franchise Agreement
Exhibit D	Area Development Agreement
Exhibit E	List of Current and Former Franchisees/Area Developers
Exhibit F	Franchise Operations Manual Table of Contents
Exhibit G	State Addenda and Agreement Riders
Exhibit H	Contracts for use with the Herway Franchise
Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipt

Sign:	Sign:
Printed Name:	Printed Name:
Date:	Date:

PLEASE RETAIN THIS COPY FOR YOUR RECORDS.

RECEIPT
(Our Copy)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If HerWay Health Franchise, 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.

Under Iowa law, if applicable, HerWay Health Franchise, LLC, must provide this disclosure document to you at your first personal meeting to discuss the franchise. Michigan requires HerWay Health Franchise, LLC, to give you this disclosure document at least ten business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first. New York requires you to receive this disclosure document at the earlier of the first personal meeting or ten business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

If HerWay Health Franchise, LLC, does not deliver this disclosure document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580, and the appropriate state agency identified on Exhibit A.

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Exhibit I	Franchise Disclosure Questionnaire
Exhibit J	State Effective Dates
Exhibit K	Receipt

Sign:	Sign:
Printed Name:	Printed Name:
Date:	Date:

Please sign this copy of the receipt, date your signature, and return it to HerWay Health Franchise, LLC, 2035 Corte Del Nogal, Suite 160, Carlsbad, California 92011.