FRANCHISE DISCLOSURE DOCUMENT

Next Health Franchising LLC
a Delaware limited liability company
8560 West Sunset Boulevard
Suite 650
West Hollywood, CA 90069
(310) 295-2075
www.next-health.com
franchise@next-health.com

The franchise is the right to develop, own, and operate a center that provides or arranges for the provision of certain wellness, anti-aging, and related products and services.

The total investment necessary to begin operation of a Next Health center is $1,700,296 to $2,263,296. This includes $448,299 to $502,799 that must be paid to the franchisor or affiliate.

The total investment necessary to begin operation of a Next Health area development business and the first franchise is $1,740,296 to $2,403,296. This includes $488,299 to $642,799 that must be paid to the franchisor or affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Next Health Franchising LLC at 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069; phone: (310) 295-2075; email: franchise@next-health.com.

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

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

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

Issuance Date: August 7, 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 D.
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 E include 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 Next Health center 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 Next Health franchisee?	Item 20 or Exhibit D 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 to 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 and the area development agreement require you to resolve disputes with us by arbitration or litigation in California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It also may cost more to arbitrate or litigate with us in California than in your home state.

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

3. **Inventory/Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices that the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchised business.

4. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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

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

7. **Unopened Franchises**. The Franchisor has signed a significant number of Franchise Agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you may also experience delays in opening your own outlet.

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.

<u>THE FOLLOWING APPLY TO</u>
<u>TRANSACTIONS GOVERNED BY</u>
<u>THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY</u>

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

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

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

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

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

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

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

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first (1^{st}) 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 (1st) refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third (3rd) 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 a provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than One hundred thousand and 00/100 Dollars ($100,00000), the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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:

MICHIGAN ATTORNEY GENERAL'S OFFICE
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: (517) 373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the Franchise Agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

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, & ANY PARENTS, PREDECESSORS, & AFFILIATES

We refer to this document as the "Disclosure Document." The franchisor is Next Health Franchising LLC, and we refer to it as "Franchisor" or "we." We refer to the person or entity that buys the franchise as "you" or "Franchisee." If you are not a natural person, certain provisions of the agreements described in this Disclosure Document will also apply to your direct and indirect owners, and we refer to them as your "Owners." We refer to the Next Health location (as defined below) you operate as our franchisee as "your Center."

The Franchisor & Our Agents for Service of Process

We are a limited liability company, formed in the State of Delaware on April 17, 2023. Our principal business address, and the principal address of Parent (defined below) and each of the other affiliates described in this Item 1, is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069. Our agent(s) for service of process in Delaware is Paracorp Incorporated, 2140 S Dupont Hwy, Camden, DE 19934, and, in the states in which this Disclosure Document will be registered are listed in Exhibit A.

We do not conduct business under any name except our legal name and our brand name, "Next Health®" (the "Brand"). Our sole business is to offer and sell franchises for Next Health centers, manage the Next Health Center franchise system, and provide services to Next Health Center franchisees. We started selling franchises for Next Health centers (each a "Next Health Center") in June 2023. While we have never owned or operated a Next Health Center, some of our affiliates do. We have never offered franchises for or operated any other businesses.

Our Parent, Predecessor & Affiliates

Our parent is Next Health Management Group, Inc. ("Parent"). Parent has not granted franchises in this or any other lines of business.

Since December 2022, our affiliate, Next Health International LLC ("NHI"), has been offering master franchises and unit franchises for Next Health Centers outside the United States. As of the date of this Disclosure Document, NHI has sold 2 master franchises. NHI has never granted franchises in the USA in this or any other line of business.

Our affiliate, Next Health IP, LLC ("Next Health IP") owns and has granted us a license to use and sublicense the use of the trademarks and other intellectual property used in the operation of Next Health Centers. Next Health IP has never granted franchises in this or any other line of business.

In September 2025, our affiliate, LH Franchising, LLC ("LHF"), acquired the Lindora franchise system. The Lindora clinics provide or arrange for the provision of certain health and wellness services including weight management, vitamin supplements, IV therapy, etc. As of December 31, 2025, there were 37 franchised Lindora outlets.

Except as described above, we have no affiliates that sell franchises in this or any other line of business or provide products or services to our franchisees.

We have no predecessors.

The Type of Business You will Conduct

If you are granted the right to operate a Next Health Center, you will sign our standard franchise agreement (the "Franchise Agreement") for the development and operation of a single Next Health Center. Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit B.

We also grant qualified applicants the opportunity to acquire multiple franchises to develop Next Health Centers within a defined development area ("Site Selection Area") according to a pre-determined development schedule ("Development Schedule") under the terms of our Area Development Agreement ("ADA" or "Area Development Agreement"). Our current form of ADA is attached to this Disclosure Document as Exhibit C. Under the ADA, you must sign our then-current form of Franchise Agreement for each Next Health Center you open. This document may be materially different than the Franchise Agreement included with this Disclosure Document.

The Next Health system is a unique method for operating a business that provides or arranges for the provision of certain wellness and anti-aging services using certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for Services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "System"). Your Center will operate under our trademarks and service marks and such other trade names, trademarks, and logos as we may designate periodically (collectively, the "Marks").

Customers may purchase services offered at Next Health Centers (the "Services") individually, in multi-packs to be used over multiple scheduled sessions, or through our membership program as well as wellness retail products and merchandise (collectively, the "Products"). The following is a general description of the Services that we currently require Next Health Centers to provide:

- Infrared Sauna Therapy
- Vitamin Infusion Therapy
- NAD+ Therapy
- Cryogenic Therapy
- Therapeutic Plasma Exchange
- Hyperbaric Oxygen Therapy

If you are not authorized to provide certain Products and Services that under the applicable laws must only be provided by appropriately qualified and licensed persons (collectively, "Regulated Services"), then you must arrange for the provision of those services at your Center through a qualified and licensed third-party ("Provider") that is designated or approved by us by entering into a management agreement ("Management Agreement") with such Provider. We may require the Management Agreement to include certain terms and conditions that protect the Brand, but such terms and conditions do not control the provision of any Regulated Services.

Market for Your Products & Services; Competition

Next Health Centers operate year-round, and their products and services are sold to members of the general public who are interested in wellness, longevity, and related services and treatments. Clients of Next Health Centers are generally adults. The market for these products and services is steadily growing and evolving. Your Center will be competing with businesses that offer one or more similar services, including med spas and doctors' offices.

Laws, Rules, & Regulations

Next Health Centers are not required to enroll in state and/or federal reimbursement programs, such as Medicaid or Medicare. The provision or arrangement of certain Regulated Services is heavily regulated by federal, state and local laws, rules and ordinances. Such laws and regulations include (i) state corporate practice of medicine ("CPOM") regulations; (ii) laws pertaining to the practice of medicine and/or nursing; (iii) all laws governing confidentiality and privacy of personally identifiable information, personal information, sensitive personal information, private information, protected health information, individually identifiable health information, medical records, patient records, or other information generated in the course of providing or paying for healthcare services, including HIPAA (and covered entities under HIPAA) and Occupational Safety and Health Administration ("OSHA"); (iv) anti-kickback and fee splitting laws; (v) the Stark law (42 USC §1395, et seq.) and other laws that prohibit physician self-referral under certain circumstances; (vi) telemedicine laws and regulations; (vii) state individual and facility licensing requirements; (viii) patient inducement laws; (ix) laws and regulations pertaining to medical devices and related healthcare equipment; (x) laws and regulations pertaining to health and wellness centers, including requirements applicable to membership programs; (xi) laws and regulations pertaining to cosmetology/aesthetic services; (xii) laws and regulations pertaining to state pharmacy boards; (xiii) laws regulating the prescribing, compounding, marketing, administering, packaging, and sale of peptides, medicines, and other controlled substances; (xiv) laws related to minimum wage and overtime requirements; (xv) laws relating to advertising or marketing of healthcare products or services; (xvi) laws governing laboratories; and (xvii) other health and human welfare laws. There may be other laws applicable to your Center. You, in conjunction with the Provider, are solely responsible for understanding and complying with all laws applicable to your Center. We urge you to make further inquiries about these laws.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer: Darshan Shah, MD

Dr. Shah has been our Chief Executive Officer since April 2023 and has held the same position with our Parent (since January 2014), NHI (since December 2022). His positions with us and our affiliates are based in West Hollywood, California. He has also served as Chief Executive Officer of Beautologie Medical Group, Inc. in Bakersfield, California since June 2002, Vitaboom.com since June 2023, and FollowThatPatient.com since 2004.

President: Kevin Peake

Mr. Peake has been our President since April 2023 and has held the same position with Parent (since August 2016) and NHI (since December 2022). Mr. Peake is based in West Hollywood, California for all of the positions described above.

Chief Operating Officer: Scott Svilich

Mr. Svilich has been our Chief Operating Officer since our formation in April 2023 and has held the same position with Parent (since March 2022) and with NHI (since December 2022). His positions with us and our affiliates are based in West Hollywood, California. Previously, he served as Vice President of Operations for AKT Franchising, LLC in Irvine, California, from September 2020 to March 2022. He also served as Vice President of Sales for Pure Barre Franchising, LLC in Irvine, California, from October 2018 to September 2020.

Vice President of Finance: Jachin Suh

Mr. Suh has been our Vice President of Finance since April 2024. He was our Finance Manager from October 2023 to April 2024, and he operates out of our corporate headquarters in West Hollywood, California. Previously, he was Director of Finance for Xponential Fitness in Irvine, California from August 2021 to October 2023. He also served as Assistant Manager of Finance for Hyundai Motor North America from July 2019 to August 2021 in Fountain Valley, California.

Vice President, Brand: Vanessa Kekina

Ms. Kekina has been our Vice President, Brand, since June 2025. Prior to that she was our Director of Marketing from April 2023 to June 2025. She has been employed by Parent since June 2016, initially serving as General Manager of a Next Health Center from June 2016 to April 2018 and then as Director of Marketing since April 2018. Ms. Kekina is based in West Hollywood, California.

Director of Construction Support: Anna Marie Palomino

Ms. Palomino has been our Director of Construction Support, based out of West Hollywood, CA, since September 2024. Prior to that, she was the Director of Construction Support for Xponential Fitness from December 2018 to September 2024 in Irvine, CA.

Vice President of Medical Operations: Dr. Moushumi Shoma Datta-Thomas, MD

Dr. Datta-Thomas has been our Vice President of Medical Operations since October 2025. Prior to that, she was our Director of Clinical Operations from May 17, 2024 to October 2024. Her roles with us are based out of New York City, NY. Prior to her role with Next Health, Dr. Datta-Thomas was the Medical Director for Modern Age, New York City, NY, from April 1, 2022, to March 30, 2024. Prior to Modern Age, she was Maiden Lane Medical's Attending Physician from August 13, 2013, to June 1, 2022, in New York City, NY.

Vice President, Marketing: Alexandria Gason

Ms. Alexandria Gason has been our Vice President of Marketing since May 2025, based out of Los Angeles, California. Prior to that, from October 2024 to May 2025 she was the Vice President of Marketing – Consulting for Curis Functional Health in Dallas, Texas; from June 2021 to September 2024 she was the Vice President of Marketing of Perspire Sauna Studio in Costa Mesa, California; and from March 2020 to June 2021 she was Vice President of Marketing of Club 4 Fitness in Ridgeland, Mississippi.

Director of Operations: Melinda Endricks

Ms. Melinda Endrick has been our and LHF's Director of Operations since October 2025, and she based in Hollywood, California. Prior to that she was the Director of Education at Xponential Fitness in Irvine, California from June 2024 to October 2025 and a Training & Compliance Associate at Lindora in Irvine, California from March 2011 to June 2024.

Director of PR & Communications: Brooklyn Schumacher

Ms. Brooklyn Schumacher has been our Director of PR & Communications since May 2024, and is based in San Juan Capistrano, California. Prior to that was the Director of PR & Communications of Xponential Fitness in Irvine, California from March 2019 to April 2019.

ITEM 3
LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Initial Franchise Fee

When you sign the Franchise Agreement, you will pay us an initial franchise fee ("Initial Franchise Fee") of $80,000, unless the fee is discounted under an Area Development Agreement as described below. The initial franchise fee is paid in a lump sum and is non-refundable.

Training Fee

You must pay us a training fee of $5,000 for each Nurse Practitioner and $2,500 for each Aesthetic RN who attends our initial training program. The training fee is due upon your receipt of the training invoice from us, to be paid in a lump sum and is not refundable.

Equipment & Computer Systems Package

Before your Center opens, we will facilitate your purchase of certain equipment like the cryotherapy machine, the hyperbaric oxygen therapy machine, the LED red light therapy machine, the sauna equipment, the IV lounge chairs, massage chairs, and certain components of the Computer System (as defined in Item 11) (collectively, the "Equipment & Computer Systems Package") from our approved and/or designated 3rd party vendors. The Equipment & Computer Systems Package ranges from approximately $360,000 to $400,000 and is payable to us upon receipt of your Equipment & Computer Systems Package invoice from us. In return, we will pay to the appropriate vendors the price of the items they sell to you. We act merely as a facilitator of these transactions and do not resell the components of the Equipment & Computer Systems Package, but we may choose to do so in the future. This amount is to be paid in a lump sum (as invoiced) and is not refundable.

Architect & General Contractor Review Fee

We recommend that you engage our designated architect and general contractor to develop your Center; however, if you wish to engage an alternate architect or general contractor, then you will pay us an Architect & General Contractor Review Fee of $3,000 to evaluate your proposed architect and/or general contractor (the "Architect & General Contractor Review Fee"). The Architect & General Contractor Review Fee is paid in a lump sum when you request our approval of your proposed architect or general contractor, is not refundable (even if we do not approve your proposed architect or general contractor).

Architect Design Fee

If you choose to select your own architect for the build out of your Center, you will be required to pay us an Architect Design Fee of $10,000 for our review of your proposed design of the space, to ensure brand standards are met (the "Architect Design Fee"). The Architect Design Fee is paid to us, in a lump sum when your architect is approved by us for use and is not refundable.

Lease Review Fee

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

Technology Fee

We collect a monthly technology fee (the "Technology Fee") in an amount equal to $799 per month. The Technology Fee is collected in advance, and therefore, you will pay at least your 1st monthly installment of Technology Fee before your Center commences operations but no later than 30 days before your scheduled opening date. The Technology Fee is payable in a lump sum each month and is not refundable.

Development Fee

If you sign an Area Development Agreement, you will pay us, in a lump sum on execution of the agreement, a development fee ("Development Fee") equal to the current initial franchise fee for 1 Next Health Center, plus 50% of the current initial franchise fee payable for each additional Next Health Center included in the Development Schedule. Typically, the Area Development Agreement requires a minimum of 2 Next Health Centers and up to 10 Next Health Centers to be developed (the exact number being agreed upon before the Area Development Agreement is signed). Since we provide a discounted initial franchise fee for multi-unit development, the amount of the development fee you are required to pay will depend on the number of Next Health Centers you commit to develop, calculated as follows:

# of Next Health Centers	Initial Franchise Fee per Center	Total Development Fee
2	$80,000	$120,000
3	$60,000	$120,000
4	$60,000	$150,000
5	$40,000	$120,000
6	$40,000	$140,000
7	$40,000	$160,000
8	$40,000	$180,000
9	$40,000	$200,000
10	$40,000	$220,000

The development fee would increase by $20,000 for each Next Health Center in excess of 10 that you commit to develop. While we agree to credit a pro-rated portion of the Development Fee toward the initial franchise fee due on execution of the Franchise Agreements, the Development Fee is payment for the reservation of the Site Selection Area and our agreement to discount the initial franchise fee. It is not a prepayment of the initial franchise fee. The development fee is non-refundable.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks[1]
Royalty	9% of Gross Sales	Weekly (currently, every Friday)	See Note 1, 2, & 3.
Temporary Royalty due to Unauthorized Closure	Greater of: (i) the average of the royalty owed for the 3 royalty periods immediately preceding the temporary closure, or (ii) $2,000 per week	Weekly, as incurred	See Note 1, 2, & 4.
Non-Compliance Fee	Increase of 1% to the rate of royalty payment	As incurred, Weekly	See Note 1, 2, & 5.
Brand Fund Contribution	Currently 1% of Gross Sales, subject to increase upon notice up to the Marketing Expenditure Cap.	Payable at the same time and manner as royalty	See Note 1, 2, & 6
Local Marketing Expenditure	$5,000 per month	Monthly	See Notes 1 & 7
Technology Fee	$799 per month. Subject to increase upon notice up to a maximum of $1,500 per month.	Monthly	See Notes 1 & 8.
Reimbursement of 3rd Party Technology Fee	Our actual costs	Monthly	See Notes 1 & 9
Interest on Late Payment	Lesser of 1.5% per month or the maximum rate allowed by applicable state law	As incurred	See Notes 1 & 10
Insufficient Funds Service Fee	$100 per occurrence	As incurred	See Notes 1 & 11
Training Fee (Additional Training or Replacement Training)	$5,000 per person. Subject to increase upon notice up to a maximum of $10,000 per person.	As incurred	See Notes 1 & 12
Conference Registration Fee	Currently estimated to be $999 to $1,499 per person	As incurred	See Notes 1 & 13.
Reimbursement of costs associated with opening assistance	Our actual costs; will vary based on the circumstances	As incurred	See Notes 1 & 14.
Marketing Creative Service Fee	$75 per hour. Subject to increase upon notice up to a maximum of $150 per hour.	As incurred	See Notes 1 & 15.
Reimbursement of Mystery Shopper expenses	Our actual costs, estimated to be $300 per mystery shopper	As incurred	See Notes 1 & 16.
Relocation Fee	$15,000 per request	Due when you submit a proposed new location	See Notes 1 & 17.
Audit Fee	Cost of audit, plus understated royalty or Brand Fund contribution	Within 15 days of report receipt	See Notes 1, 3, 6 & 18
Franchise Agreement Transfer Fee	50% of our then-current initial franchise fee	As incurred	See Notes 1 & 19
Area Development Agreement Transfer Fee	$20,000	As incurred	See Notes 1 & 20.

Type of Fee	Amount	Due Date	Remarks[1]
Successor Franchise Fee (Franchise Agreement)	50% of our then-current Initial Franchise Fee	Upon execution of a successor Franchise Agreement	See Notes 1 & 21
Management Fee	10% of Gross Sales earned during our period of management, plus our out of pocket costs and expenses	As incurred	See Notes 1, 2 & 22.
Alternate product or vendor evaluation fee	$2,000 per vendor/product; plus our actual costs for all other vendors and products	As incurred	See Notes 1 & 23.
Insurance Premium Reimbursement	Our actual costs	As incurred	See Notes 1 & 24.
Indemnification	Our actual costs	As incurred	See Notes 1 & 25.
Costs and Attorneys' Fees	Our actual costs	As incurred	See Notes 1 & 26.
Reimbursement of cost of de-identification of premises	Our actual costs	As incurred	See Notes 1 & 27.
Lost Revenue Damages	Will vary. See Remark column for the formula for calculating on the Lost Revenue Damages	Payable within 15 days of termination of Franchise Agreement	See Notes 1 & 28.
Vendor Cost Reimbursement	Our actual costs	As incurred	See Notes 1 & 29.

Notes

1. Uniformity of Fees. Except as otherwise noted, all fees are non-refundable. We have negotiated some of these fees on a case by case basis.

2. Definition of Gross Sales. "Gross Sales" means all revenue generated from the operation of your Center (whether or not in compliance with the Franchise Agreement), regardless of the manner in which the price was paid by the purchaser of such products or services (including payments by cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions), but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from clients and paid to the appropriate taxing authority, (2) the amount of any documented refunds and credits your Center in good faith gives to clients and your employees, and (3) the amount of any discounts from the advertised price that are given at the point of purchase and that are reasonable and, if applicable, are consistent with any discount policies that we may periodically announce as part of the System Standards. Revenue from the purchase or redemption of gift certificates, gift cards, loyalty, or similar programs is calculated as part of Gross Sales in accordance with our then-current guidelines for such programs. Gross Sales also include all insurance proceeds you receive to replace revenue that you lose from the interruption of your Center due to a casualty or other event covered by business interruption or similar insurance coverage. Gross Sales will not include revenue generated from Regulated Services that are provided at your Center or by or under the supervision of the Provider or its designee, but it will include the payments made to you by the Provider for the non-medical administrative services you perform pursuant to the Management Agreement.

3. Royalty Fees. If any applicable law prohibits or restricts in any way your ability to pay, or our ability to collect, royalty or other amounts based on Gross Sales derived from the operation of your Center, then we will modify your payment obligations to us under the Franchise Agreement and revise the applicable provisions to provide the same basic economic effect to both us and you as currently provided in the Franchise Agreement. The frequency of royalty payment is subject to change.

   If you fail to timely report Gross Sales and/or fail to report in the manner that we require, we may debit your account for 110% of the average of the last 3 royalty payments and Brand Fund contributions that we debited. If the amounts that we debit from your account under this paragraph are less than the amounts you actually owe us (once we have determined the true and correct Gross Sales), we will debit your account for the balance on the day we specify. If the amounts that we debit from your account are greater than the amounts you actually owe us, we will credit the excess against the amounts we otherwise would debit from your account during the following week.

4. Unauthorized Closure Temporary Royalty. Charged if you temporarily close your Center without our consent and we do not otherwise exercise our right to terminate your Franchise Agreement. The Temporary Royalty is payable in the same manner as the regular royalty payment. Payment of a Temporary Royalty will not act as a cure of the default caused by the unauthorized closure and will not alter or impair any other rights we have under the Franchise Agreement.

5. Non-Compliance Fee. If you do not comply with your obligations under the Franchise Agreement, your royalty payment will be increased by 1% of Gross Sales, or estimated Gross Sales if you fail to timely report, until we have determined that you have cured your deficiencies and are compliant with all terms of your Franchise Agreement. This increase in the rate of royalty is intended to compensate us for additional expenses that we will incur as a result of your non-compliance and is not a penalty or an expression of the total amount of such damages. Payment of this increased royalty does not cure the non-compliance that triggered its payment, and we are not limited in pursuing our other rights and remedies available under the Franchise Agreement.

6. Brand Fund Contribution. Your contributions to the Brand Funds (as defined in Item 11) and your Local Marketing Expenditure (as defined in Item 11) will not exceed, in the aggregate, more than 5% of the Gross Sales of your Center (“Marketing Expenditure Cap”); provided, however, it is your responsibility to provide us with written notice if the required contributions to the Brand Funds and the Local Marketing Expenditure (together, the “Required Marketing”) exceeds the Marketing Expenditure Cap, and until we receive your written notice (the “Marketing Notice”), you will fully comply with the Required Marketing requirements, and no excess amounts will be refunded to you. If the Required Marketing exceeds the Marketing Expenditure Cap, you may, after we receive your Marketing Notice, reduce the required Local Marketing Expenditure, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. You must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded. Subject to the Marketing Expenditure Cap, we may change the amount you contribute to the Brand Fund upon 30 days’ notice.

7. Local Marketing Expenditure. We may, upon written notice, require that you pay the amounts required to be spent by you for local marketing of your Center shall, instead, be paid to us or our appointed designee. Subject to the Marketing Expenditure Cap, we may change the amount you must spend on local marketing.

8. Technology Fee. Payment of this fee provides you with access to certain software or technology that is required for the operation of your Center.

9. Reimbursement of 3rd Party Technology Fee. If we pay certain fees on your behalf to 3rd party vendors of software and other technology, then, in addition to the Technology Fee, we may require you to reimburse the amount paid by us on your behalf.

10. Interest on Late Payment. Interest will accrue on all amounts you owe us after their due date.

11. Insufficient Funds Service Fee. Payable if checks or drafts are returned or auto-debit requests declined due to insufficient funds.

12. Training Fees. Your Managing Owner (as defined in Item 15), General Manager (as defined in Item 15), Nurse Practitioner, and Aesthetic RN (collectively, "Required Trainees") and/or such other persons as we may designate periodically must also attend such additional and remedial training programs as we may periodically require, and you must pay us our then-current fee for providing additional training to your Required Trainees. If you replace any initial Required Trainee, the replacement personnel must complete, to our satisfaction, the applicable training program within 30 days of hire.

13. Conference Registration Fee. If we or our affiliates require your owners, Required Trainees, or any other personnel to attend any annual meeting, or regularly scheduled conference organized by us and our affiliates, then you must pay the registration fee for such meeting or conference, regardless of the attendance by your attendee. You will be responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, persons attending such meetings and conferences on your behalf or at your request. This fee is subject to increase based on our and 3rd parties' cost of providing such conference.

14. Reimbursement of costs associated with opening assistance. We will not charge a fee for opening assistance we provide to you, but if we determine it to be necessary to increase or re-schedule our available resources to accommodate the timing of the opening of your Center or the kind or extent of assistance, we determine to be necessary, we may require that you reimburse our expenses associated with doing so. We reserve the right to charge if we determine you will need additional assistance and/or resources.

15. Marketing Creative Service Fee. Upon your request, we may design local marketing materials for your Center. You will be required to pay our then-current hourly rate, which will be capped at $150 per hour. The amount of our current rate is subject to change.

16. Reimbursement of Mystery Shopper expenses. You must reimburse us for the cost of any mystery shoppers that we engage to inspect and /or evaluate your Center and the services rendered.

17. Relocation Fee. If you desire to relocate your Center, you must obtain our prior written approval and pay us the relocation fee. In addition, you are responsible for all costs to relocate including, but not limited to, marketing expenses, buildout, etc...

18. Audit Fee. Payable if we conduct an audit because you failed to provide required reports or if a random audit reveals an understatement of Gross Sales of more than 2% or an underpayment of royalty or Brand Fund contributions. The cost of the audit includes fees payable to attorneys and independent accountants involved in the audit and the travel expenses, room and board, and compensation of our personnel involved in the audit.

19. Franchise Agreement Transfer Fee. Payable to us for reviewing and approving a transfer of your Center-or to evaluate any other type of transfer as defined by your Franchise Agreement.

20. Area Development Agreement Transfer Fee. Payable if you request us to approve a transfer of your future development rights or of a transfer of an ownership interest in you.

21. Successor Franchise Fee. Payable if we approve you to enter into a successor franchise agreement for your Center. This fee shall be capped at $60,000.00.

22. Management Fee. Payable only if we assume management of your Center because of your abandonment, failure to comply with the Franchise Agreement, permanent death or disability, or our operation of the Center during any intermediate period upon the expiration or termination of the Franchise Agreement (while we decide whether to exercise our purchase option).

23. Reimbursement of costs incurred in evaluating alternate product or vendor. Payable only if you request our approval of a new product or supplier that is not approved by us. Our costs will vary based on the type of product or supplier, the location of the supplier, and the nature of the new product or supplier.

24. Insurance Premium Reimbursement. Payable only if you fail to obtain or maintain insurance, and we exercise our option to obtain or reinstate it for you, including, but not limited to, reimbursement for medical malpractice insurance.

25. Indemnification. You must indemnify & reimburse us, our affiliates, and our & our affiliates' owners, directors, managers, officers, employees, agents, successors, & assigns harmless against all claims arising from the development, ownership, & operation of your Center or your breach of the Franchise Agreement or the Management Agreement.

26. Costs & Attorneys' Fees. Payable only if we are the prevailing party in any relevant litigation or arbitration.

27. Reimbursement of Cost of De-Identification of Premises. Payable if you fail to de-identify the premises of your Center upon the termination or expiration of Franchise Agreement.

You must reimburse us the expenses incurred by us to de-identify and distinguish the appearance of your Center premises from that of other Next Health Centers after the expiration or termination of the Franchise Agreement, as necessary.

28. Loss Revenue Damages Calculations. Payable if we terminate the Franchise Agreement for your breach, or you terminate it without cause. Lost revenue damage is an amount equal to the net present value of the royalty payments that would have become due had the Franchise Agreement not been terminated, from the date of termination to the earlier of: (1) 36 months following the date of termination, or (2) the originally scheduled expiration of the term of the Franchise Agreement (the "Measurement Period"). Lost Revenue Damages is calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the royalty fee percentage, multiplied by (3) the highest monthly Gross Sales of your Center during the 36 full calendar months immediately preceding the termination date (or, if the termination is based on your unapproved closure of your Center, the 36 full calendar months immediately preceding the closure date); provided, that if as of the termination date (or the closure date in light of the foregoing), your Center has not been operating for at least 36 months, the highest average monthly Gross Sales of all Next Health Centers during the 36 months immediately preceding the termination date or closure date, as applicable. Payment of Lost Revenue Damages will not alter or impair any other rights we have under the Franchise Agreement.

29. Vendor Cost Reimbursement We may arrange with designated vendors to collect or have our affiliates collect fees and expenses associated with products and services provided to you, and to pay the vendor on your behalf for such products or services. If we elect to do so, we or our affiliates may auto-debit your bank account for such amounts in the same manner and using the same authorization you grant us for the payment of royalties and other fees.

ITEM 7
ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment (Franchise Agreement)

TYPE OF EXPENDITURES[1]	AMOUNT	PAYMENT METHOD	WHEN DUE	PAYMENTS MADE TO
Initial Franchise Fee[2]	$80,000	Lump Sum	Upon Signing Franchise Agreement	Us
Initial Training Fee[3]	$7,500	As Incurred	As Incurred	Us
Initial Training Expenses[3]	$1,500 to $5,000	As Incurred	As Incurred	3rd Party Suppliers
Lease Rental & Security Deposit[4]	$73,200 to $109,200	As Arranged	On and Prior to Execution of Lease	Landlord / 3rd Party Suppliers

TYPE OF EXPENDITURES[1]	AMOUNT	PAYMENT METHOD	WHEN DUE	PAYMENTS MADE TO
Lease Review Fee [5]	$0 to $1,500	Lump Sum	As incurred	Us
Architect & General Contractor Review Fee [6]	$0 to $3,000	Lump Sum	As incurred	Us
Architect Design Fee [7]	$0 to $10,000	Lump Sum	As Incurred	Us
Architect & MEP Permitted Plan Set	$65,000 to $95,000	Lump Sum	As Incurred	3rd Party Suppliers
Leasehold Improvements[8]	$600,000 to $900,000	As Incurred	As Arranged	Landlord / 3rd Party Suppliers
Furniture & Fixtures[9]	$45,000 to $60,000	Lump Sum	As Invoiced	3rd Party Suppliers
Equipment & Computer Systems Package[10]	$360,000 to $400,000	Lump Sum	As Invoiced	Us
Technology Fee[12]	$3,196	Monthly	As Invoiced	Us
Medical Supplies[13]	$180,000 to $200,000	As Arranged	As Arranged	3rd Party Suppliers
Provider Fee[14]	$3,900	As incurred	Monthly	3rd Party Suppliers
Materials & Other Supplies[15]	$8,000 to $15,000	As Arranged	As Arranged	3rd Party Suppliers
Signage[16]	$20,000 to $30,000	Lump Sum	As Invoiced	3rd Party Suppliers
Insurance Fees[17]	$10,000 to $15,000	As Arranged	As Arranged	3rd Party Suppliers
Permits & Licenses[18]	$5,000 to $10,000	Lump Sum	As Invoiced	3rd Party Suppliers
Grand Opening Advertising Expenses[19]	$50,000	As Incurred	As Invoiced	3rd Party Suppliers
Legal & Accounting Expenses [20]	$13,000 to $15,000	As Incurred	As Invoiced	3rd Party Suppliers
Additional Funds – Initial Period [21]	$175,000 to $250,000	As Arranged	As Required	3rd Party Suppliers, & Employees
TOTAL[22]	$1,700,296 to $2,263,296			

Notes

1. All fees payable to us or our affiliates are not refundable. Whether any of the other payments are refundable will depend on the arrangement between you and the supplier.

2. Initial Franchise Fees. As noted in Item 1, we provide a discount on the initial franchise fee in exchange for a multi-unit commitment under an Area Development Agreement. Depending on the number of Next Health Centers you commit to developing under an Area Development Agreement, the initial franchise fee will be $80,000 for each of the franchises, if committing to open and operate 1-2 Next Health Centers, $60,000 for each franchise, if committing to open and operate 3 or 4 Next Health Centers, and $40,000 for each franchise, if committing to open and operate 5 or more Next Health Centers, you agree to acquire under the Area Development Agreement.

3. Initial Training Fees & Expenses. You may not open your Center until your Managing Owner, General Manager, Nurse Practitioner, and Aesthetic RN complete our initial training programs to our satisfaction. We do not charge a fee for providing initial training of your Managing Owner and General Manager. We charge a separate fee of $5,000 for each Nurse Practitioner and $2,500 for each Aesthetic RN attending our initial training program (See Item 5). We do not expect franchisees to engage more than 1 Nurse Practitioner and 1 Aesthetic RN. You will be responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, all persons attending the initial training program on your behalf or at your or our request. This range includes (i) the initial training fee for required Nurse Practitioner and Aesthetic RN, and (ii) our estimate of the travel and living costs incurred by your trainees and the compensation that you may pay to your trainees while attending our initial training program. Travel expenses may vary and are based on distance traveled, your mode or method of travel such as by airline or vehicle, the hotel selected, etc.

4. Lease Rental & Security Deposits. The cost of acquiring or leasing premises for your Center will depend upon the market in which the proposed site is located and current market and economic conditions. A typical Next Health Center will be at least 2,000 sq. ft. and will typically not be more than 4,000 sq. ft., and will be located in a retail shopping complex, medical plaza, or in a stand-alone building in a retail environment. You may request approval of a site that is greater than 4,000 sq. ft., and any such request will be evaluated on a case-by-case basis and should include supporting evidence of extenuating factors such as favorable rental rates and surrounding demographics. This range includes a security deposit (which is between 1 to 3 months of rent) and 3 months' rent after the opening of the Next Health Center.

5. Lease Review Fee. This amount is payable only if the landlord of the premises at which your Next Health Center is located requests changes to our then-current form of lease addendum (See Item 5).

6. Architect & General Contractor Review Fee. We recommend that you engage our designated architect and general contractor to develop your Center; however, if you wish to engage an alternate architect or general contractor, then you will pay us an Architect & General Contractor Review Fee of $3,000 (See Item 5).

7. Architect Design Fee. We recommend that you engage our designated architect; however, if you choose to select your own architect for the build out of your Center, you will be required to pay us an Architect Design Fee of $10,000 for our review of your proposed design of the space, to ensure brand standards are met (See Item 5).

8. Leasehold Improvements. The typical size of a Next Health Center ranges from 2,000 to 4,000 sq ft. Lease build-out requirements may include, but are not limited to, building walls, installing doors, building wall dividers, installing flooring, and building counters. This range excludes any tenant improvement allowance that you may receive from your landlord. Based on our System's recent experience, landlords have been willing to provide tenant improvement allowances of up to $200 per square foot; however, there is no guarantee that your landlord will be willing to provide a tenant improvement allowance or,

if so, how much it would be willing to provide or the conditions it will impose before it releases funds, such as requiring a lien release from your general contractor or any subcontractor, that you open and begin operating, obtain a Certificate of Occupancy, etc. This will be a matter of negotiation between your landlord and you.

9. Furniture & Fixtures. The range of costs of purchasing and installing desk, chairs, cabinets, shelves, décor items, and other furniture and fixtures required to operate your Center. These costs may vary depending on the size of your Center.

10. Equipment & Computer Systems Package. This range includes $360,000 to $400,000 that we will collect from you in connection with your purchase of the Equipment & Computer Systems Package (see Item 5). We and our affiliates do not manufacture the Equipment & Computer Systems Package or provide any warranties or guaranties regarding the performance of the items included in the Equipment & Computer Systems Package. You may be required to periodically service, repair, refurbish, or replace any equipment, hardware, software, or computer components at your own expense.

11. Technology Fee. We collect Technology Fee on a monthly basis in advance, prior to the beginning of the applicable month.

12. Medical Supplies. Includes the cost of a medical freezer, generator, ozone machine, IV hood, aesthetic treatment products, IV ingredients, TPE Machine, and related medical supplies.

13. Provider Fee. We expect you to engage the services of our current designated third-party Provider, who charges $975 per month to provide management services. Our designated Provider collects its fee on a monthly basis in advance, prior to the beginning of the applicable month.

14. Materials & Other Supplies. The cost of office supplies and materials.

15. Signage. The cost of your interior and exterior signage will vary depending on the type, size, number, and location of the signage, local government regulations, and even the position of your premises within a commercial building or complex.

16. Insurance Fees. This amount represents an estimated down payment of your annual insurance premiums. Your cost of insurance may vary depending on the insurer, the location of your Center, your claims history, services offered at your facility, the length of time your entity has been in existence, and other factors, such as lease insurance requirements.

17. Permits & Licenses. Does not include the cost to maintain permits and licenses required to practice medicine because we do not require our franchisees to practice medicine in connection with the operation of their Center.

18. Grand Opening Advertising Expenses. You must market the grand opening of your Center with our assistance and use only pre-approved materials and programs, including online

marketing efforts such as SEO, pay-per-click advertising, and costs for the use of Public Relations or advertising agencies as approved by us. The amount you spend will not count towards your Marketing Expenditure Cap or local marketing expenditures for such year (see Item 6).

19. Legal & Accounting Expenses. Fees likely to be paid to lawyers and accountants for initial advice, creation of entities and governing documents, local licensing permits, and initial accounting set-up.

20. Additional Funds. Our estimates of the amounts needed to cover your expenses during the initial period (3 months) after the opening of your Center includes: the cost of replenishing inventory, initial advertising and promotional expenditures, payroll for managers and other employees, uniforms, utilities, and other variable costs.

21. Based primarily on (i) the information provided to us by Parent based on its experience of developing and operating Next Health Centers, and (ii) our own investigation of these costs, including using information provided to us by certain vendors.

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

Your Estimated Initial Investment
(Area Development Agreement)

TYPE OF EXPENDITURES	LOW AMOUNT	HIGH AMOUNT	PAYMENT METHOD	WHEN DUE	PAYMENT TO BE MADE TO
Development Fee[1]	$120,000	$220,000	Lump Sum	Upon Signing Area Development Agreement	Us
Initial investment for first Next Health Center (less initial franchise fee)	$1,620,296	$2,183,296	As described in the table above	As described in the table above	As described in the table above
TOTAL	$1,740,296	$2,403,296			

Notes

1. The entire investment required to acquire area development rights is payable to us and is not refundable. When you sign an Area Development Agreement, you will pay us the development fee in an amount equal to 50% of the initial franchise fee payable for the total number of Next Health Centers necessary to satisfy the Development Schedule. Under the Area Development Agreement, we typically require developers to commit to developing a minimum of 2 Next Health Centers and typically, up to 10 Next Health Centers (the exact number being qualified for and agreed upon before the Area Development Agreement is signed). Since we provide a discounted initial franchise fee for multi-unit development, the amount of the development fee you are required to pay will depend on the number of Next Health Centers you commit to develop, calculated as follows:

Number of Next Health Centers	Initial Franchise Fee for each	Amount of Development Fee
2	$80,000	$120,000
3	$60,000	$120,000
4	$60,000	$150,000
5	$40,000	$120,000
6	$40,000	$140,000
7	$40,000	$160,000
8	$40,000	$180,000
9	$40,000	$200,000
10	$40,000	$220,000

The development fee would increase by $20,000 for each Next Health Center in excess of 10 that you commit to develop. The development fee is not a deposit; however, we credit the portion of the development fee attributable to each franchise you agree to acquire toward payment of the Initial Franchise Fee applicable to that particular franchise.

2. Concurrently with the execution of the Area Development Agreement, you must execute a Franchise Agreement for the 1st Next Health Center to be developed in satisfaction of your development obligations under the Area Development Agreement and incur the costs associated with developing your first Next Health Center, less the Initial Franchise Fee.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

Standards & Specifications

Next Health Centers provide or arrange for the provision of wellness, anti-aging, and related products and services. To maintain the quality and uniformity of the customer experience and the products and services offered and sold at your Center, you must purchase our required equipment, supplies, Computer System, furniture, fixtures, and signage (collectively the "Operating Assets").

We will not issue to you or to any approved suppliers (except as we deem necessary for purposes of production) the specifications for proprietary Operating Assets, if any. We will otherwise communicate our mandatory specifications, standards, operating procedures, and rules that Franchisor periodically prescribe for developing, managing, and operating Next Health Centers ("System Standards") and the list of approved Operating Assets in the Operations Manual and otherwise in writing. We may periodically modify the System Standards upon notice to you. Our System Standards and Operations Manual do not regulate Regulated Services or practice of medicine.

Approved or Designated Suppliers

We may require you to purchase all Operating Assets from suppliers approved or designated by us, which may include or be limited to us or our affiliates.

Currently, we require all franchisees to pay us/our affiliate for (i) the Next Health Equipment & Computer Systems Package, which will be supplied by our designated 3rd party vendor; and (ii) the Diagnostic Technologies Package. Except as described in this paragraph, we do not require our franchisees to purchase or lease any product or service from us or our affiliates.

Currently, we have designated 3rd party vendors from whom the franchisees must purchase the following products and services: certain components of the Equipment & Computer Systems Package, Diagnostic Technologies Package, IT services, architectural services, realtor services, general contractor services, and provider of certain Regulated Services.

We estimate that approximately 90% to 95% of your initial investment and approximately 85% to 95% of your ongoing expenditures will be directed to purchase products and services that will be restricted by us in some manner.

As of the issuance date of this Disclosure Document, our Chief Executive Officer owns an interest in our approved supplier of certain required software and certain pharmacy products.

Alternative Products, Services & Suppliers

If you wish to purchase any equipment or products that we have not approved, or from any supplier that we have not approved, you must first notify us, in writing, using our product and vendor approval process and application. You must also submit to us the information and sample necessary for us to determine whether the proposed Operating Asset complies with our System Standards, and/or the proposed supplier meets our approved supplier criteria. We will notify you of our approval or disapproval of all proposed products, services or suppliers in writing to you within a reasonable time, typically within 90 days after receipt of the information from you or from the proposed supplier. In addition to paying us the alternate product or vendor evaluation fee of $2,000 per product/vendor, you must reimburse the cost incurred by us in evaluating your proposed suppliers or products and services. We may also impose limits on the number of suppliers, products, and services that we are willing to review. We maintain a list of criteria for reviewing and approving products, services, and suppliers; however, we do not issue these criteria to you. We may at any time revoke our approval of any approved Operating Asset or any alternative supplier of Operating Assets upon written notice to you.

Insurance

Before you open and begin operating your Center, you must purchase and maintain, at your expense, the required insurance type and coverage necessary to operate your Center. You must maintain such insurance policies for your Center as required under applicable law and in minimum types and amounts of coverage we require, as outlined in our Operations Manual, which may be periodically updated. You must maintain this insurance coverage during the entire term of your Franchise Agreement.

Below is the list of all insurance policies and coverages that we require Next Health franchisees to maintain. In addition to maintaining these insurance coverages, you must maintain such insurance coverages for your Center as required under applicable law.

POLICY TYPE	MINIMUM LIMITS
General Liability ("**GL**")	✓ $1,000,000 Per Occurrence
	✓ $2,000,000 Products/Completed Operations
	✓ $2,000,000 General Aggregate
	✓ $1,000,000 Personal & Advertising Injury
	✓ $1,000,000 Damage to Rented Premises
	✓ $5,000 Medical Expense
	✓ $1,000,000 Per Claim - Employee Benefits Liability (EBL)
	✓ **We and our affiliates must be an "Additional Insured, as the Grantor of Franchise."**
Professional Liability/Errors & Omissions ("**E&O**")	✓ $1,000,000 Each Claim
	✓ $3,000,000 Aggregate
	✓ **We and our affiliates must be an "Additional Insured, as the Grantor of Franchise.**".
Sexual Abuse & Molestation	✓ $1,000,000 Each Claim
	✓ $1,000,000 Aggregate
Cyber Liability	✓ $1,000,000 Per Claim
	✓ $1,000,000 Aggregate
	✓ Including Cyber Crime
Directors & Officers ("**D&O**") Coverage	✓ $1,000,000 Each Claim

POLICY TYPE	MINIMUM LIMITS
	✓ $1,000,000 Aggregate
Employment Practices Liability Insurance (“**EPLI**”)	✓ $1,000,000 Each Claim
	✓ $1,000,000 Aggregate
Fiduciary Liability	✓ $1,000,000 Each Claim
	✓ $1,000,000 Aggregate

You may shop the insurance marketplace and source your policies through reputable broker(s) of your choice. All insurance coverage must: (i) be primary and noncontributory and be issued by a reputable insurance carrier(s) acceptable to or approved by us; and, (ii) be underwritten by a business licensed to operate in the state in which your Center is located and the insurance provider must have a rating of at least A in the most recent *Key Rating Guide*, or *A.M. Best's Insurance Report*, or such other rating guide relied upon by the industry. Although we may refer you to an insurance professional, our recommendations are not an endorsement of the insurer or the underlying policy

We may periodically change the amounts of coverage required under these insurance policies or require different or additional insurance coverages at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances, industry standards, experiences in the Next Health System, etc. These insurance policies must name us, any affiliates and any other persons or entities we designate as additional named insureds, using a form of endorsement that we have approved, and provide 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. All required insurance coverage must commence before you attend initial training (as described in Item 11), and you must provide proof of the same. You routinely must furnish us with copies of your Certificate of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. We reserve the right to request copies of all policies and to provide proof that your coverage is valid and in full force and effect. We may also require that you provide evidence of continued insurance coverage upon renewal or extension of your franchise term. The requirements stated in this Disclosure Document, the Operations Manual, and the Franchise Agreement are minimums only, and you are encouraged and required to review whether additional or different coverage may be appropriate or required in your jurisdiction and Center.

Purchase Arrangements, Material Benefits & Revenue

During 2025 fiscal year (i) we received $2,566,833 from sale of Equipment & Computer Systems Package to our franchisees, which comprises 76.5% of our revenue of $3,343,803; and (ii) we received $70,000 on account of franchisee purchases from third party vendor of certain equipment. One of our equipment vendors gives us a rebate of $10,000 per equipment package sold.

We or our affiliates may negotiate purchase arrangements, including prices and terms, with designated and approved suppliers for the System. As of the issuance date of this Disclosure Document, there are no purchasing or distribution cooperatives for any of the items described above.

We do not provide any material benefits to our franchisees based on their use of designated or approved suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation		Franchise Agreement Section	Area Developmen t Agreement Section	
a.	Site selection & acquisition/ lease	Section 2	Section 1.4	Item 8 & 11
b.	Pre-opening purchases/leases	Section 2 & 4	Not Applicable	Item 5, 7, 8 & 11
c.	Site development & other pre-opening requirements	Section 2, 4 & 9	Section 1	Item 7, 8 & 11
d.	Initial & ongoing training	Section 4	Not Applicable	Item 5, 6, 7, & 11
e.	Opening	Section 2 & 9.1	Section 1.3	Item 5, 7, & 11
f.	Fees	Appendix I; Section 3, 4.1, 17.6	Section 2 & 4.3.10	Item 5, 6 & 7
g.	Compliance with standards & policies / operating manuals	Section 3.7, 8.1, 8.6, 8.10	Not Applicable	Item 8, 11 & 14
h.	Trademarks & proprietary information	Section 6.1, 8.4	Not Applicable	Item 13 & 14
i.	Restrictions on products/services offered	Section 8.4 & 8.5	Not Applicable	Item 8, 11, 12, & 16
j.	Warranty & customer service requirements	Section 8.6	Not Applicable	Not Applicable
k.	Territorial development & sales quotas	Not Applicable	Section 1.3	Item 12
l.	Ongoing product / service purchases	Section 8	Not Applicable	Item 8 & 11
m.	Maintenance, appearance & remodeling requirements	Section 2.2 & 8.2	Not Applicable	Item 8 & 11
n.	Insurance	Section 8.7	Not Applicable	Item 6, 7 & 8
o.	Advertising	Section 9	Not Applicable	Item 6, 8 & 11
p.	Indemnification	Section 16.3	Section 7.2	Item 6

Obligation		Franchise Agreement Section	Area Development Agreement Section	
q.	Owner's participation / management / staffing	Section 1.2, 4 & 8.1	Section 1.2	Item 11 & 15
r.	Records & Reports	Section 10	Section 3	Item 6 & 11
s.	Inspections & Audits	Section 11	Not Applicable	Item 6 & 11
t.	Transfer	Section 12	Section 4	Item 6 & 17
u.	Renewal	Section 13	Not Applicable	Item 6 & 17
v.	Post-Termination Obligations	Section 15	Section 6	Item 17
w.	Non-Competition Covenants	Section 7, 15.1.7 & 15.4	Not Applicable	Item 17
x.	Dispute Resolution	Section 17	Section 8	Item 17
y.	Guaranty	Appendix II	Appendix II	Item 15
z.	Security Interest	Appendix IV, Section 2.6	Not Applicable	Item 9

ITEM 10
FINANCING

We and our affiliates do not offer any direct or indirect financing. We and our affiliates do not guarantee your notes, leases, or other obligations.

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

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

Our Pre-Opening Obligations

Before you open your Center, we will provide you with the following assistance:

1. Evaluating any proposed sites for your Center based on our then-current criteria, including factors such as demographics, proposed rental rates, neighborhood and nearby business counts and characteristics, nearby residential populations, traffic count, accessibility, parking, visibility, signage, and competition, and then approve or disapprove a proposed site. While we are not required under the Franchise Agreement to notify you as to whether the site has been approved or rejected within a certain time frame, we typically approve or reject proposed sites within 30 days of our receipt of all information reasonably required by us to evaluate a proposed site. We do not generally own the premises and do not sublease it to our franchisees. It is entirely your responsibility to find a suitable site for your Center that is acceptable to us and to negotiate the lease terms. (Franchise Agreement, Section 2.1)

2. Review, evaluate against our then-current criteria, and approve or reject your proposed lease and space plans and drawings. (Franchise Agreement, Section 2.1)

3. Provide initial training to your Required Trainees and other attendees at our headquarters or another location designated by us. (Franchise Agreement, Section 4.1)

4. Provide access to our Operations Manual and SOPs. The Operations Manual and SOPs will be made available through our website or otherwise, are considered confidential and proprietary, and may be updated periodically. (Franchise Agreement, Section 4.6)

5. Provide you with our list of approved products and suppliers for the products, goods, merchandise, supplies, signs, furniture, fixtures, equipment, and services; and assist in acquiring all necessary equipment (including the Computer System), furniture, fixtures, signs and lists of approved suppliers or vendors. We may supplement this list in our Operations Manual and/or SOPs. (Franchise Agreement, Section 8)

6. Facilitate your purchase of the Equipment & Computer Systems Package from our approved 3rd party vendors by placing the initial orders for the items that comprise the Equipment & Computer Systems Package.

7. We will define your Territory, which you will operate in so long as you are not in default of the Franchise Agreement (Franchise Agreement, Appendix I).

8. While we are not obligated to, we may provide on-site opening assistance to you (Franchise Agreement, Section 4.3).

Our Pre-Opening Obligations (Area Development Agreement)

After you sign an Area Development Agreement, and before you open a Next Health Center, we or our affiliates will provide you the following assistance:

1. Review, evaluate and approve/reject sites proposed by you for each Next Health Center to be developed pursuant to your Area Development Agreement. If we approve a proposed site, within 15 days of approval, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. (Area Development Agreement, Sections 2.4 and 2.5)

2. Designate a protected area (if any) for the approved site using our then-current standards and issue you a Franchise Agreement.

Opening of Your Center

The typical length of time between signing the Franchise Agreement and opening the Next Health Center is between 9 and 16 months. Factors that affect the time to open Next Health Centers include obtaining a satisfactory site, financing arrangements, lease negotiations, local ordinances, delivery and installation of equipment, and renovation of the premises. You must open your Center no later than: (i) 300 days (10 months) after you sign the lease of your Center, or (ii) 480 days (16 months) after the Effective Date of the Franchise Agreement. If you fail to open your Center within this time, we may terminate the Franchise Agreement and retain the entire franchise fee.

Our Post-Opening Obligations – Franchise Agreement

During the operation of your Center, we or our affiliates will:

1. Allow you to use the Marks and System, based on the terms in your Franchise Agreement (Franchise Agreement, Section 5);

2. Provide you with our System Standards and other suggested standards, specifications and procedures governing the offer and sale of non-medical products and services at Next Health Centers (Franchise Agreement, Section 4.6);

3. Provide you with a list of authorized vendors and suppliers for the products, goods, merchandise, supplies, signs, furniture, fixtures, equipment and services (Franchise Agreement, Section 8.5);

4. Periodically, update the Operations Manual and make these updates available to you through electronic means. You are required to ensure that your Operations Manual is always current and up to date. The Operations Manual and the information contained therein are confidential and remain our property during and after your franchise term and any renewal (Franchise Agreement, Section 4.6); and

5. Provide you with general marketing and promotional assistance. We have the right to approve or disapprove all marketing materials that you propose to us (Franchise Agreement, Section 9).

We may provide additional or remedial training to your Required Trainees or other persons as we deem fit (Franchise Agreement, Section 5.4). We may, subject to applicable laws, also set the maximum and minimum prices charged and advertised for the services provided at your Center (Franchise Agreement, Section 9.11).

Our Post-Opening Obligations – Area Development Agreement.

We are not obligated to provide any post-opening assistance under the Area Development Agreement.

Advertising & Promotion Programs.

Our Advertising Obligations

Other than administering the Brand Fund, we have no obligation to advertise the Brand or Next Health Centers. Upon your request, we may design local marketing materials for your Center and require you to pay our then-current Marketing Creative Service Fee (currently $75 per hour; however, this fee is subject to increase upon notice to an amount not exceeding $150 per hour) to provide such service to you.

While we encourage you to advertise your Center, you are prohibited from producing or doing any Public Relations ("PR") efforts in relation to the Next Health brand not expressly pre-approved by us in writing. If you, your owners or your staff release any PR that is not pre-approved by us in writing, you may be deemed in default of your Franchise Agreement.

Franchisee Advisory Council

We do not have franchisee advisory but we may form one in the future.

Cooperative Advertising

We do not require our franchisees to participate in marketing cooperatives.

Brand Fund

We have established a marketing fund for the Brand (the "Brand Fund"), and we currently require all franchisees to contribute 1% of their Next Health Center's Gross Sales to the Brand Fund in the same manner and frequency as the royalty payments. Subject to the Marketing Expenditure Cap described in Item 6, we may, upon written notice to you, change the amount of your Brand Fund contribution. Next Health Centers owned by our affiliates are not required to, but currently intend to, contribute to the Brand Fund at the same rate at which we require our franchisees to contribute.

We or our designee will administer the Brand Fund. However, neither we nor any of our affiliates has any fiduciary obligation to you or any other person for administering the Brand Fund or for any other reason. We will have exclusive control over all programs and services administered by the Brand Fund. We may (i) use any form of media with local, regional, or national coverage, and (ii) create such marketing materials in-house or outsource this task to an outside advertising agency. We have no obligation to spend any amount on advertising the Brand or Next Health Centers in the area or territory where your Center is located.

We will prepare an annual unaudited statement of collection and expenses made by the Brand Fund collections. Although we are not required to do so, we may have the Brand Fund audited annually by an independent certified public accountant. We may, upon written request to you, provide the financial statement prepared for the Brand Fund's then most recently ended fiscal year. We will account for the Brand Fund separately from our other funds and the Brand Fund will not be our asset.

In 2025, the Brand Fund contributions were spent as follows: (i) 100% on production, (ii) 0% on media placement, and (iii) 0% on administrative expenses.

The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. If the Brand Fund does not spend all the contributions received by it in any given fiscal year, then it may roll over the balance funds for use in the future. If we terminate the Brand Fund, we will, at our option, either spend all unspent monies until such amounts are exhausted or distribute the funds in the Brand Fund to Next Health franchisee owners on a pro rata basis.

We do not use any portion of the Brand Fund contribution to principally solicit franchisees. However, the Brand Fund may pay for preparing and producing video, audio, and written materials and electronic media; developing, implementing, and maintaining any online presence or other software or applications; administering advertising and marketing campaigns; administering regional and multi-regional marketing and advertising programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, Next Health brand, and/or Next Health Centers. We may also use the Brand Fund to pay for the Brand Fund's other administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, and any other expenses that we or our affiliates incur that are related to administering or directing the Brand Fund and its programs. We may modify Brand Fund programs, services, or expenditures at any time.

We intend for the Brand Fund to promote the applicable Marks, the Next Health franchise system, Next Health Centers, and the Brand generally. As such, there is no guarantee that you or your Center will benefit from Brand Fund expenditures directly or in proportion to your Brand Fund contribution. You further acknowledge and agree that the results of any marketing and promotional programs are by their nature uncertain, and that neither we nor any of our affiliates or representatives have guaranteed the results of any Brand Fund programs, services, or expenditures in any manner.

We may elect to maintain multiple Brand Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Brand Funds or the administration thereof, in each case provided that each such Brand Fund will otherwise remain subject to this Section.

Local Marketing Expenditure

We may require that you spend certain minimum amounts to advertise and promote your Center ("Local Marketing Expenditure"). The current Local Marketing Expenditure is $5,000 per month; however, we may periodically change the amount of your minimum Local Marketing Expenditure upon notice to you (subject to the Marketing Expenditure Cap). Within 30 days after the end of each calendar quarter, you must send to us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion during the preceding month unless we serve as the pass-through agent for your expenditures. Your local advertising and promotion must follow our guidelines.

We may require that the amounts required to be spent by you towards Local Marketing Expenditure shall, instead, be paid to us or our designee. If we exercise this option, we will then spend such amounts, in accordance with local marketing guidelines and programs that we periodically develop, to advertise and promote your Center on your behalf.

You must obtain (i) our written approval of all advertising and marketing materials that you intend to use in connection with your Center, and (ii) your Medical Director's written approval of all information regarding Regulated Services that is included in the advertising and marketing materials of your Center. All such materials must be completely clear, factual, ethical, not misleading, and must conform to our marketing and advertising policies that we periodically prescribe and applicable laws. All advertising and marketing materials that you intend to use in connection with your Center must clearly state that all Regulated Services are provided and/or supervised, as required under applicable laws, by licensed healthcare professionals. You must submit to us, for our approval, samples of marketing materials you intend to use at least 10 days prior to your proposed use. If you do not receive our written approval of the materials within 10 days of your submission, they are deemed to be disapproved. We may withdraw our approval if a regulatory or other issue arises that, in our opinion, makes such withdrawal in our or the System's best interests. Our approval of any advertising and marketing material is entirely for our own benefit and may not be relied upon as indications of any kind, including compliance of such materials with applicable laws.

Online Presence

The term "Online Presence" means any website, domain name, email address, social media account, username, other online presence or presence on any electronic medium of any kind that refers to your Center, the Marks, us, or the Next Health franchise system. You may neither establish any Online Presence related to the Marks (as defined in Item 13), Next Health Centers, or the System nor promote your Center or any products or services or make any use of the Marks or any Online Presence without our prior written approval. As a condition to granting any consent, we will have the right to establish any requirement that we deem appropriate. If we approve the use of any such Online Presence in the operation of your Center, you will develop and maintain such Online Presence only in accordance with our guidelines, including our guidelines for posting any messages or commentary on other 3rd party websites or other Online Presence. Unless we specify otherwise, we will own the rights to such Online Presence, and to take whatever action (including signing assignment, other documents or providing us with account access) we request to evidence our ownership of such Online Presence or help us obtain exclusive rights in such Online Presence. You must list and advertise your Center on all major internet search engines and on any other Online Presence or directories we require or authorize.

We may, but are not obligated to, provide you with a webpage or other Online Presence that references your Center on any system website, upon which, you must: (i) provide us the information and materials we request to develop, update, and modify the information about your Center; (ii) notify us whenever any information about your Center is not accurate; and (iii) pay our then current initial fee and monthly maintenance fee for the Online Presences that are dedicated to your Center. You acknowledge that we have final approval rights over all information on any system website. If you default under the Agreement, we may, in addition to our other remedies, temporarily remove references to your Center from any system website until you fully cure the default. All advertising, marketing, and promotional materials that you develop for your Center must contain notices of the system website's domain name in the manner we designate.

Grand Opening Advertising

In addition to your other advertising obligations, we will require you to spend at least $50,000 on a grand opening marketing program for your Center to take place on the dates we designate before and after your Center opens. You must spend this amount in addition to all other amounts you must spend on advertising specified above, and the amount you spend on grand opening advertising will not count towards your Local Marketing Expenditure for such year, or your Marketing Expenditure Cap.

Computer Hardware & Software.

You must purchase an entire computing system that meets the System Standards ("Computer System"). The Computer System currently consists of software, point-of-sale system, cash drawers, printers, cash-counter, tablets and label printer, music player, a personal computer including Microsoft Office, a managed switch, video monitors and camera server, remote printers, magnetic swipe-card, pin or chip readers, DSL or other high-speed connections, managed security services, firewall, office printer/scanner, related cabling and a maintenance contract. The cost of the Computer System is between $15,000 and $25,000.

Subject to laws that regulate access to patient information, we will have the ability to independently access certain information your Computer System at all times, including all data stored therein, including customer data. We and our affiliates have no obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. You must upgrade your Computer System when we decide it to be necessary and at your own cost. There are no contractual limitations on our ability to update System Standards. We estimate your annual cost of required maintenance, updating, upgrading, and support contracts with 3rd parties related to your Computer System will be in the range of $2,500 to $5,000, which is in addition to the monthly Technology Fee (currently $700 per month) that you will pay to us.

Operations Manual.

We provide information about our System Standards through our online operations manual (the "Operations Manual"), which may include 1 or more separate manuals as well as audiotapes, videotapes, compact discs, computer software, information available on an Internet site, other electronic media, or written materials. Our current Operations Manual has 238 pages, as well as a collection of electronic SOPs, totaling 10 sections. We have provided the table of contents as Exhibit F.

Training Program.

Currently, we conduct training programs once a month, but we may change the frequency of the program as we deem appropriate. We may conduct any training program in-person and/or virtually. No later than 8 weeks before the scheduled opening of your Center, your Required Trainees (i.e., your Managing Owner, General Manager, Nurse Practitioner, and Aesthetic RN) must complete our initial training program to our satisfaction. We do not charge any fee for providing initial training to your initial Managing Owner and your initial General Manager. We charge a fee for providing initial training to your Nurse Practitioner and Aesthetic RN ($5,000 per Nurse Practitioner & $2,500 per Aesthetic RN). Any replacement or substitute Required Trainee must complete initial training for their respective positions to our satisfaction prior to serving in such positions, and we may charge a fee of $5,000 for providing training to any replacement

Required Trainee or providing additional training to any Required Trainee at your request or on our own determination.

Each of your Owners, Required Trainees, and such other persons we require must attend all meetings and conferences, including regional and national conferences of persons involved in the ownership or operation of Next Health Centers (each a "Conference") that we periodically designate. You must pay us the registration fee we charge (currently estimated to be $999 to $1,499 per person) for attendance at each Conference organized by us or our affiliates, which fee will be due and payable regardless of whether any required attendee actually attends the particular Conference.

You are responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, persons attending any training program or conference on your behalf or at your or our request.

We may provide on-site assistance with the initial opening of your Center. We will determine the timing, the identity of the person(s) providing, and the length of such assistance. We will not charge a fee for providing opening assistance, but if we determine it to be necessary to increase or re-schedule our available resources to accommodate the timing of the opening of your Center or the kind or extent of assistance, we determine to be necessary, we may require that you reimburse our expenses associated with doing so. Our personnel supporting your Center's opening will not be responsible for the operation of your Center or providing or supervising Regulated Services at your Center.

As of the date of this Disclosure Document, we provide the following initial training:

TRAINING PROGRAM

SUBJECT	CLASSROOM TRAINING HOURS	ON-THE-JOB TRAINING HOURS	LOCATION*
GM Operations	16	8	Next Health Corporate Office
Nurse Practitioner Medical	8	32	Next Health Corporate Office
Aesthetic Training	8	32	Next Health Corporate Office
HR Operations	6	2	Next Health Corporate Office
Sales and Marketing	12	2	Next Health Corporate Office
Technology	6	2	Next Health Corporate Office
TOTAL	56	78	

- Training will be provided at the Next Health Corporate Office in West Hollywood, CA or another location selected by us, at our option.

Training is conducted and supervised by (i) Kai Belveal (Training and Development Manager), who has 8 years of experience in the subjects taught and has 8 years of experience with us or our affiliates; (ii) Will Craig (Director of Sales), who has 6 years of experience in the subjects taught and has 4 years of experience with us or our affiliates; (iii) Dr. Moushumi Shoma Datta-Thomas (Director of Clinical Operations), who has 13 years of experience in the subjects taught and has over 2 years of experience with us or our affiliates; and (iv) Ross Callahan (Registered Nurse (NCLEX-RN) Skin Care and Aesthetic Expert) who has 12 years of experience in the subjects taught and has 8 years of experience with us or our affiliates.

Training materials include management training program materials, team member training materials and the Operations Manual. Any individual attending the training who has not signed the form of Guaranty and Assumption of Obligations attached to the Franchise Agreement must execute a confidentiality agreement in the form provided by us. Any training or training materials provided by us or on our behalf relates solely to the performance of activities not regulated by laws governing the provision of Regulated Services. Under no circumstances shall any training and/or assistance provided by us or on our behalf constitute the practice of medicine or the performance of Regulated Services.

ITEM 12
TERRITORY

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, except as described in this Item 12, so long as you are in compliance with the terms of your Franchise Agreement and Area Development Agreement, as applicable, we will not, during the term of the Franchise Agreement, operate or authorize anyone else to own or operate a Next Health Center within the "Designated Area" identified in your Franchise Agreement or in the Site Selection Area identified in the Area Development Agreement. These territorial protections under the Franchise Agreement and Area Development Agreement are referred to as your "Territorial Protections."

If, however, when the Franchise Agreement is signed, the premises have not yet been approved and the Designated Area has not yet been agreed upon, you must, within 90 days after the execution of the Franchise Agreement, locate and obtain our approval of the premises for your Center. If we are unable to agree on the premises or Designated Area within this timeframe, then we may terminate the Franchise Agreement

Determination of Site Selection Area & Designated Area.

If you and we sign an Area Development Agreement, the agreement will identify the Site Selection Area in which you will be authorized to search for proposed premises and in which all of the Next Health Centers you develop (each pursuant to an individual Franchise Agreement) will be located. We will review and approve/reject sites proposed by you for all Next Health Centers to be developed pursuant to the Area Development Agreement and designate a protected area (if any) using our then-current standards before issuing you each Franchise Agreement.

There are no minimum requirements regarding the size or configuration of Site Selection Areas or Designated Areas, but in each case we consider factors such as demographics (for example, number of people living and working in the area, income levels, and buying habits), other similar and complementary businesses and destinations in the area, traffic patterns and natural barriers impacting how people get to and move within the area, availability of potential sites, likely trade areas, and growth trends. Site Selection Areas and Designated Areas are typically described on a map attached to the Area Development Agreement or Franchise Agreement, as applicable, but may also be identified by other means including, for example zip codes, market service areas ("MSAs") or designated marketing areas ("DMAs"), streets, or official city or county boundaries.

Each Franchise Agreement that you and we sign will identify the address for the premises that you have proposed and that we have approved for the location of the Center and, if applicable, an area surrounding the Center that we have approved to be your Center's "Designated Area."

The exact Designated Area, which will be more specifically defined after lease signing. The Designated Area will, excluding any prior existing Franchisees' territories, typically encompass a 3-mile radius, with the following considerations: geographical boundaries, cultural demographics, household income, population count, age, traffic/trip count, daytime population, competition, housing density and permit and zoning regulations. If the Site Selection Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of the Franchise Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

To maintain the Territorial Protections described above you must comply with your obligations under the Area Development Agreement (including the agreed upon Development Schedule) and each Franchise Agreement. You are not otherwise obligated to achieve minimum sales volumes, market penetration or other contingencies to maintain the Territorial Protections. However, we may revise the size or configuration of the Site Selection Area or suspend the Territorial Protections under the Area Development Agreement on renewal of the Area Development Agreement or if you fail to comply with your obligations under the Area Development Agreement. We may revise the size or configuration of the Designated Area or suspend the Territorial Protections under the Franchise Agreement on renewal of the Franchise Agreement or if you fail to comply with your obligations under the Franchise Agreement. On expiration or termination of the Area Development Agreement, you will lose the Territorial Protections for the Site Selection Area, but the Designated Areas under Franchise Agreements will continue as provided in those agreements until their termination or expiration.

Reservation of Rights Under the Area Development Agreement & Franchise Agreement.

The Territorial Protections are limited to those agreements we describe in the 1st paragraph of this Item 12. We and our affiliates reserve all rights that are not expressly granted to you under the Area Development Agreement and Franchise Agreements and the right to engage in all other activities that are not included in the Territorial Protections, including, for example, the right to do any of the following (and you are not permitted to exercise any of the following rights):

1. own and operate, and license others to own and operate, Next Health Centers using the System Standards and the Marks, at any location outside the areas covered by the Territorial Protections on such terms and conditions we deem appropriate;

2. we and our affiliates may develop or become associated with other businesses, including other health and wellness concepts and systems that offer the same or similar products, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the areas covered by the Territorial Protections;

3. acquire, be acquired by, merge or affiliate with, or engage in any transaction with any other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to Next Health Centers, and/or (ii) permit the other businesses to continue to operate under another name regardless of their locations;

4. market, offer and sell products and services similar to those offered by Next Health Centers under a trademark or trademarks other than Marks at any location, both within and outside the areas covered by the Territorial Protections;

5. market and sell, and grant to others the right to market and sell, at any location, both within and outside the areas covered by the Territorial Protections, products and services that are authorized for sale at Next Health Centers through alternative channels of distribution (like mail order, the Internet, e-commerce and catalog sales, telemarketing and product lines in other businesses) using the Marks or other trademarks and commercial symbols; and

6. open and operate, or license 3rd parties the right to open or operate, Special Venue Location, both within and outside the areas covered by the Territorial Protections. "Special Venue Locations" are Next Health Centers located in hotels, resorts, health clubs, sports arenas, entertainment facilities, military facilities, and any captive location or host facility whose retail operations are controlled by a 3rd party or in our judgment should be operated by a 3rd party.

We are not required to compensate you for exercising any of the above rights, regardless of whether it allows us to compete with your Center.

Other Items:

You have no right to change the Site Selection Area under the Area Development Agreement or to relocate or change the location of your Center under the Franchise Agreement. If, on your request, we allow you to relocate your Center, we may condition our consent in any manner we choose including requiring you to pay us a relocation fee of $15,000. You may relocate your Center only with our prior written permission, which we will not unreasonably withhold. We will approve your new location if it is within your Designated Area and meets our then-current standards and specifications.

You have no right of 1st refusal or similar rights to acquire additional development rights or franchises or to establish additional Next Health Centers.

LHF and its affiliates will continue to develop Lindora branded businesses, which offer and sell goods and services similar to those offered by Next Health Centers (including weight management, vitamin supplements, IV therapy, etc.). In September 2025, acquired the Lindora franchise system. We expect the Lindora franchise system to include franchised and corporate locations. Lindora outlets may be located anywhere, including in your Designated Area and will not be prohibited from soliciting customers within your Designated Area. LHF shares our principal address. Currently, we have no plans to maintain physically separate offices or training facilities for the Next Health and Lindora franchise systems. We currently do not have a specific method for resolving conflicts the franchisees of either franchise systems but we will do so on a case-by-case basis.

ITEM 13
TRADEMARKS

Next Health Centers operate under the Brand and use the Marks that we may authorize. Currently, Next Health IP owns all Next Health Intellectual Property. Under a License Agreement, dated January 1, 2025, between us and Next Health IP, (the "License Agreement"), Next Health IP has licensed to us the right to use, and further sublicense the right to use, the Marks in connection with the franchising, development, and operation of Next Health Centers. The License Agreement has a term of 99 years and can be terminated on 30 days' notice without cause or for a material breach of the License Agreement which is not cured upon 30 days' notice to us (resulting in the loss of our right to use and to sublicense the use of the Marks). Your rights to use the Marks during the current term of your Franchise Agreement will not be affected by the termination or expiration of our license. However, we will not be able to grant additional licenses of the Marks after expiration or termination of our license. Currently, there are no other agreements in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

The following Marks are registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

MARK	**REGISTRATION NUMBER**	**REGISTRATION DATE**
NEXTHEALTH	5296970	09/26/2017
NEXT | HEALTH	5328708	11/07/2017
NEXT BEAUTY	6147612	09/08/2020
NEXT | BEAUTY	6130482	08/18/2020
NEXT FUSION	6191158	11/03/2020
NEXT TECH	6191159	11/03/2020
NEXT BEAUTY	6443819	08/10/2021
NEXT | BEAUTY	6443818	08/10/2021

The above are the principal Marks to be licensed to you. There are currently no effective material determinations of the USPTO, Trademark Trial and Appeal Board, the trademark administrator of this state or any court, pending infringement, opposition, or cancellation, or pending material litigation involving the Marks. All required renewals and affidavits for the Marks listed above have been filed.

We are not aware of anyone having superior rights to the Marks or any infringing use or anyone making a claim regarding our use, which could materially affect the use of the Marks.

You will notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person's claim of any rights in any Mark, and not to communicate with any person other than us and our affiliates, our attorneys, and your attorneys, regarding any such infringement, challenge, or claim. We, Next Health IP, and our affiliates may take the action we deem appropriate (including no action) and control exclusively any litigation, USPTO proceeding, or other legal or administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You must sign any documents and take any other reasonable action that, we and our affiliates think are necessary or advisable to protect and maintain our and our affiliates' interests in any litigation or USPTO or other proceeding or otherwise to protect and maintain our and our affiliates' interests in the Marks. We will reimburse you for your costs of taking any action that we, Next Health IP, and our affiliates ask you to take.

We will reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Franchise Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding. At our option, we, Next Health IP and our affiliates may defend and control the defense of any proceeding arising from your use of any Mark under the Franchise Agreement.

If at any time it becomes advisable, in our opinion, for us to modify or discontinue using any Mark or to use one or more additional or substitute trademarks or service marks, or modify any components of the System, you must comply with our directions within a reasonable time determined by us after receiving written notice from us. We will determine, in each instance, what time for compliance is reasonable, the length of which may vary based on the reason for the modification or discontinuance and the breadth and cost of making the change (for example, a shorter time may be required where the change is based on an actual or perceived threat of infringement versus where we are electing to make a change purely for marketing and branding purposes). We need not reimburse you for complying with our directions in that regard, for any loss of revenue due to any modified or discontinued Mark or component of the System, or for your expenses of promoting a modified or substitute trademark or service mark.

ITEM 14
PATENTS, COPYRIGHTS, & PROPRIETARY INFORMATION

Patents & Copyrights

We do not claim to own any patents or patent applications which are material to the franchise. However, we and Next Health IP claim statutory and common law copyright and trade secret protection for several aspects of the System, methods, techniques and operational procedures, products, product specifications, design, decor, signage, manuals, and all related materials including advertisement and promotion materials though such materials may not be registered in the USPTO. These materials are proprietary and confidential and are our or Next Health IP's property and may be used by you only as provided in your Franchise Agreement.

We may authorize you to use certain works to which we claim copyright rights. These include the Operations Manual, the SOPs, advertisements, promotion materials, packaging, posters and signs and may include all or parts of the Marks, software, trade dress and other portions of the Next Health franchise system. These are our or Next Health IP's property. We and Next Health IP have not registered any of our copyrighted materials but may do so at any time we or it deems appropriate. There are no effective determinations of the USPTO or any court regarding any materials as to which we claim copyright rights. There are no agreements in effect that significantly limit our right to use, or license copyrighted materials. There are no infringing uses known to us which could materially affect your use of the copyrighted materials in any state.

We need not protect or defend our copyrighted works. We may control any action involving copyrighted works, even if you voluntarily bring the matter to our attention. We need not participate in your defense nor indemnify you for damages or expenses in a proceeding involving the copyrighted works.

If you develop any methods, formulas, specifications, processes, procedures, programs, projects, works of art or other materials in the course of operating your Center, which we approve for use and/or sale in the Next Health Center, it will be deemed to be a work made-for-hire belonging to us or Next Health IP, and automatically become our or its property. To the extent it is not deemed to be a work-made-for-hire, you assign all rights and ownership to us. At our request you must sign documents and take any action we ask to enable us to secure all rights in us. If you do not, then we can sign and act on your behalf as your attorney-in-fact.

Confidential Information.

We will provide you with trade secrets and our or our affiliates' proprietary or confidential information regarding the development and operation of Next Health Centers. Any improvements you develop or customer lists and databases you obtain will be our proprietary information. Our trade secrets include methods, formulas, specifications, processes, procedures and/or improvements regarding Next Health Centers, the System, System Standards, and any information that is valuable and secret in the sense that it is not generally known to competitors of us. Our confidential information does not include the personal information of your employees or other personnel who work at your Center, personal information to which we do not have access, and any other information we designate as non-confidential from time to time. You must maintain absolute confidentiality of all such information during and after the term of the franchise and must not use any such information in any other business or in any manner not specifically authorized or consented to in writing by us. You may provide confidential information only to the extent and only to those of your employees or agents who must have access to that information to operate your Center and are bound by the confidentiality obligations and execute a Business Associate Agreement (subject to applicable laws) in the form attached as Attachment C to the Franchise Agreement.

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

Franchise Agreement

If you are not a natural person, each of your Owners that has any direct or indirect ownership interest, and, if the Franchise Agreement is signed pursuant to an Area Development Agreement, the developer under that agreement will sign and deliver to us the Payment & Performance Guarantee (the form is attached to the Franchise Agreement as Appendix II). Each person signing a guaranty assumes and agrees to discharge all of your obligations (i.e., the franchisee's) under the Franchise Agreement. The spouse of each Owner must consent in writing to that owner's execution of the Performance Guarantee.

If you are not a natural person then 1 of your Owners that you designate, and we approve, will be the "Managing Owner" of your Center. Your Managing Owner will be authorized, on your behalf, to deal with us in all matters that arise in respect of the Agreement. We will be entitled to rely on the decision of the Managing Owner without being obligated to seek approvals of your other Owners. We do not require you or your Owners to participate personally in the direct operations of your Center.

You must enter into a Management Agreement with a Provider that is designated or approved by us. Pursuant to the Management Agreement, the Provider must make a designated medical director ("Medical Director") available to you, and you will, in exchange for a fee to be paid to you by the Provider, provide certain non-medical administrative services to the Provider and the Medical Director. You must also designate a general manager (the "General Manager") to manage the day-to-day non-medical operations of your Center, and subject to applicable law(s), you must designate and/or appropriately contract with, either directly or through the Provider (1), a Nurse Practitioner to administer and supervise the administration of certain Regulated Services that a nurse practitioner is permitted under applicable law to administer and supervise; and (2) an Aesthetic RN to administer and supervise the administration of certain Regulated Services that a registered nurse is permitted under applicable law to administer and supervise.

You will be the employer of all employees and the principal of all independent contractors of your Center, excluding the healthcare professionals as required under the applicable laws. You are solely responsible for all decisions relating to your relationship with your personnel and the activities they perform at your Center, including their recruitment, the decision whether to retain them, the terms and conditions of their retention, all aspects of their work assignments, their hours and schedules, safety and security protocols they must follow, any disciplinary actions, their supervision, and any decisions to terminate their relationship with you or your Center. You must ensure that all personnel who are employed by, contracted by, or work at your Center in any manner are properly licensed, certified, registered with appropriate authorities, trained, educated, and experienced to perform the tasks assigned to them or to which they are likely to engage in connection with their relationship with you or your Center. You must also ensure that if applicable law permits certain activities to be performed under the direct supervision and control of a lawfully licensed certified professional, such activities are so supervised and controlled.

The Medical Director, General Manager, Nurse Practitioner, and Aesthetic RN may, but need not, be your Owners; however, they must meet our then-current qualifications and standards for each role. Prior to the opening of your Center, your Managing Owner, General Manager, Nurse Practitioner, and Aesthetic RN must complete our initial training program to our satisfaction, and they must also complete to our satisfaction any other training programs we may periodically designate.

You must not change or replace your Managing Owner, the Provider, Medical Director, Nurse Practitioner, Aesthetic RN, or General Manager without our prior written consent and must promptly notify us in writing if any of them cannot continue or no longer qualify to serve as such and must take corrective action within 30 days thereafter. During that period, you must provide interim personnel as necessary to comply with our System Standards. You must adopt and implement all reasonable procedures to prevent unauthorized use or disclosure of Confidential Information and disclose Confidential Information to your personnel on a need-to-know basis and requiring them to sign a confidentiality agreement in the form approved or designated by us.

Area Development Agreement.

If you are not a natural person, each of your Owners must sign a guaranty of your obligations under the Area Development Agreement (the form is attached to the Area Development Agreement as Appendix II). Each person signing a guaranty assumes and agrees to discharge all of your obligations (i.e., the developer's) under the Area Development Agreement. Each Owner signing the guaranty agrees to be bound to provisions of the Area Development Agreement applicable to such person.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

The franchisees of Next Health Centers offer and sell certain non-medical products and services to their customers that are specifically designated by us periodically and provide certain non-medical and administrative services that are requested by the Provider and Medical Director. We do not authorize or require Next Health franchisees to practice medicine, hire licensed health care professionals or provide training to them, provide Regulated Services, or exert control over the delivery or supervision of Regulated Services; however, we require each Next Health franchisee to (i) enter into a Management Agreement with the Provider pursuant to which it will make a designated Medical Director, who will use its independent medical judgement, perform or, where permitted, supervise the performance of certain Regulated Services at the franchisee's Next Health Center, and (ii) subject to applicable laws, designate and/or appropriately contract with, either directly or through the Provider, at least 1 Nurse Practitioner and 1 Aesthetic RN to administer certain Regulated Services under the supervision of the Medical Director.

You will: (i) offer and sell from your Center all non-medical products and services in the manner that we periodically specify; (ii) not offer or sell at or from your Center or any other location any products or services we have not authorized, including any Regulated Services; (iii) not directly or indirectly supervise, control, or interfere with the provision of Regulated Services unless you are qualified and licensed under applicable law to do so; and (vi) discontinue selling and offering for sale any products or services that we at any time disapprove. There is no limit on our right to change the goods or services that you can and cannot sell at and from your Center.

Your Medical Director will offer, provide, and supervise all Regulated Services at your Center and make all determinations in respect thereof in accordance with its independent medical judgment. Your Nurse Practitioner and Aesthetic RN will administer and supervise the administration of certain Regulated Services that registered nurses are permitted under applicable law to administer and supervise.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, & DISPUTE RESOLUTION

The Franchise Relationship

The following tables list certain important provisions of the Franchise Agreement, the Area Development Agreement, and the Management Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

Provision		Section In Agreement	Summary
a.	Length of the franchise term	Section 1.1	An initial term of 10 years, unless sooner terminated.
b.	Renewal or extension of the term	Section 13.1	If you are in substantial compliance with the Franchise Agreement, you may extend the term for 1 consecutive term of 10 years.
c.	Requirements for franchisee to renew or extend	Section 13.1	You must: give at least 180 days' prior notice (no earlier than 12 months prior to end of term); take all steps to bring your Center into full compliance with our then-current System Standards; not be in breach of any agreement with us or our affiliates; have right to remain in possession of the premises; executed our then-current Franchise Agreement and general release (unless prohibited by law); renew your Management Agreement with your Provider; and pay a renewal fee. The then-current Franchise Agreement may contain terms and conditions materially different from those in your previous Franchise Agreement, such as different fee requirements. We will be under no obligation to grant you a successor franchise if, at the time of renewal, we are not granting franchises for Next Health Centers in your state.
d.	Termination by franchisee	Section 14.1	You may terminate the Franchise Agreement upon 30 days' notice to us, if (i) you and your Owners are in full compliance of your and their obligations under the Franchise Agreement, the Management Agreement, and any other agreement with us or our affiliates; and (ii) we (or our affiliates) fail to materially comply with our obligations under the Franchise Agreement or any other agreement with you and such breach is not cured within 30 days of receipt of a written notice from you, or if such breach cannot be cured within 30 days and we or our affiliates do not provide you within 30 days after your notice reasonable evidence of our or their effort to correct the failure within a reasonable time.

Provision		Section In Agreement	Summary
e.	Termination by franchisor without cause	N/A	Not Applicable.
f.	Termination by franchisor with cause	Section 14.2	Subject to applicable law, we may terminate only if you or your owners commit 1 of several violations, including, but not limited to, the failure to cure defaults within the applicable cure period (if any) under other agreements (including Area Development Agreements and the Management Agreement) executed with us or our affiliates.
g.	"Cause" defined - curable defaults	Section 14.2	Subject to applicable law, under the Franchise Agreement, you have: 21 days to cure your trainees' failure to complete the initial training to our satisfaction; 72 hours to cure a violation of any law, ordinance, rule or regulation; 5 days to cure monetary defaults; 15 days to cure quality assurance audits; 30 days to cure operational defaults and other defaults not listed in (h) below; and cure period (if any) under other agreements (including Area Development Agreement and Management Agreement) executed with us or our affiliates to avoid cross default.
h.	"Cause" defined - non-curable defaults	Section 14.2	Non-curable defaults under the Franchise Agreement include: material misrepresentations or omissions; failure to secure site for your Center within 90 days after the Franchise Agreement's Effective Date; failure to open your Center on time; unapproved closure, failure to operate for more than 3 days, or other abandonment; conviction of a felony; dishonest or unethical conduct which may likely have an adverse effect on the reputation of any Next Health Center; unapproved transfers; you lose the right to occupy the premises of your Center; your or your Owners' unauthorized use or disclosure of confidential or proprietary information; failure to pay taxes; understatement of Gross Sales 3 or more times; repeated defaults (even if cured); your or your Owners' insolvency; your or your Owners' failure to comply with anti-terrorism laws; if you are found to have violated health and safety standards; your failure to have a valid Management Agreement with the Provider; or failure to comply with the terms therein; failure to designate one of your Provider's licensed health care professionals as your Medical Director; and failure to cure defaults under other agreements (including the Management Agreement and the Area Development Agreement) with us or our affiliate within the applicable cure period, if any.

Provision		Section In Agreement	Summary
i.	Franchisee's obligations on termination /non-renewal	Section 15.1	Under the Franchise Agreement, you must: pay us all amounts owed to us and our affiliates; cease operating your Center and using the Marks; cease identifying yourself as a current or former franchisee; de-identify the business; cease using and return all Confidential Information; cancel all fictitious or assumed names; cease using or operating any Online Presence; notify the telephone company of termination of rights to use telephone number and transfer number to our designee; comply with confidentiality requirements and post-termination non-competition covenants; and at our option, sell or assign to us your rights in your Center premises and the assets used in the business.
j.	Assignment of contract by franchisor	Section 12.1	No restriction on our right to assign.
k.	"Transfer" by franchisee - definition	Section 12.2	Includes voluntary or involuntary sale, assignment, transfer, conveyance, gift, pledge, mortgage, or otherwise disposal of or encumbrance of any direct or indirect interest in the Franchise Agreement, your Center or its assets (other than in the ordinary course of business), your right to possession of the premises, or any direct or indirect ownership interest in you (if you are an entity).
l.	Franchisor's approval of transfer by franchisee	Section 12.2	We have the right to approve all transfers by you or your owners but will not unreasonably withhold or delay approval.

Provision		Section In Agreement	Summary
m.	Conditions for franchisor approval of transfer	Section 12.3	Your Center has opened for business; you or transferee must provide all application materials and satisfy all selection criteria; you (and your Owner) are in compliance with the Franchise Agreement; you must provide transfer documents and transfer must meet our criteria; you (and your Owners) and transferee (and its owners) must sign all documents required by us in connection with transfer (including then-current Franchise Agreement, the provisions of which may differ materially from those contained in the form Franchise Agreement attached to this Disclosure Document); transferee upgrades, remodels and/or refurbishes your Center; the transfer must not place your Center in undue financial or operational risk; you (and your owners) sign a general release (unless prohibited by state law) and a non-competition covenant; your Center is being operated in all respects in compliance with our System Standards and you are current on all your payment obligations in connection with your Center; whether, if you or your Owners offer the transferee financing for any part of the purchase price, you and your Owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Center will be subordinate to the transferee's obligation to pay amounts it owes to us, our affiliates, and 3rd party vendors and otherwise comply with the Franchise Agreement; all mandatory training for transferee has been completed and paid for; all approvals relating to the proposed Transfer (including any landlord notices or consents) have been given or obtained, as required, with copies provided to us payment of transfer fee; and all business operations (insurance and licenses) are transferred.
n.	Franchisor's right of 1st refusal to acquire franchisee's business	Section 12.7	If you receive an offer to sell or transfer an interest, direct or indirect, in the Franchise Agreement, your Center or any direct or indirect ownership interest in you (if you are an entity), we have a right of 1st refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of such intention to sell or transfer, then you may sell or transfer in accordance with items 11 through 13 of this Item 17.
o.	Franchisor's option to purchase franchisee's business	Section 15.2	We may upon 30 days' written notice to you exercise our right to purchase your Center upon (i) expiration of the Franchise Agreement without grant of a successor franchise; (ii) our termination of the Franchise Agreement; and (iii) your termination of the Franchise Agreement without cause. The purchase price for your Center will be the net realizable value of the tangible assets in accordance with the liquidation basis of accounting.

Provision		Section In Agreement	Summary
p.	Death or disability	Section 12.4	Your (or your owner's) interest must be transferred to someone approved by us within 6 months after the date of death or permanent disability. Such transfers are subject to the same terms and conditions as inter vivos transfers and are subject to our right of 1st refusal to purchase the interest.
q.	Non-competition covenants during the term of the franchise	Section 7.1	Subject to applicable state laws, neither you, nor any of your Owners, or your or your Owner's immediate family members, may have any involvement, directly or indirectly, in a Competitive Business. The term "Competitive Business" means any business other than a Next Health Center which (1) generates or is expected to generate at least 20% of its revenue from performing or arranging the provision of any, or any combination, of the following services: cryotherapy, IV therapy, hormone replacement therapy, hyperbaric oxygen therapy, diagnostic testing and/or other services that are currently offered at Next Health Centers, that may be offered in the future, or (2) franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses. Subject to applicable laws, you must obtain similar covenants from the personnel we specify, including officers, directors, managers, and other employees attending our training program or that are granted access to Confidential Information. We have the right to regulate the form of agreement you use and to be a 3rd party beneficiary of that agreement with independent enforcement rights.
r.	Non-competition covenants after the franchise is terminated or expires	Section 15.1.7	Subject to applicable state laws, you, your Owners, General Manager, and your and their immediate family members will not have any involvement, directly or indirectly, in a Competitive Business for 2 years at the premises of your Center, within a 10-mile radius of the premises of your Center or any Next Health Center in existence or under development at time of termination or expiration of Franchise Agreement.
s.	Modification of the agreement	Section 18.2	Except for our right to modify the System and the System Standards there can be no modifications except in writing and signed by both you and us.
t.	Integration/merger clause	Section 18.7	Subject to applicable state laws, only the written terms of the Franchise Agreement and other related written agreements are binding. Any representation or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable. However, nothing in the Franchise Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnish to you.

PROVISION		SECTION IN AGREEMENT	SUMMARY
u.	Dispute resolution by arbitration or mediation	Section 17.1	Subject to applicable state laws, we (& our affiliates) and you (and your affiliates) must arbitrate all disputes at a location in or within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently West Hollywood, CA).
v.	Choice of forum	Section 17.2	Subject to applicable state laws, you must sue us in the state where our or, as applicable, our successor's or assign's then-current corporate headquarters is located (currently West Hollywood, CA).
w.	Choice of law	Section 17.3	Subject to applicable state laws, the Franchise Agreement will be construed, and all disputes related to or arising in connection with the Franchise Agreement will be resolved, in accordance with DE law.

The Area Developer Relationship

The following tables list certain important provisions of the Area Development Agreement. You should read these provisions in the agreements attached to this Disclosure Document.

PROVISION		SECTION IN AGREEMENT	SUMMARY
a.	Length of the franchise term	Section 1.1	Term ends on the earlier of (i) the scheduled opening date of the last Next Health Center as specified on the Development Schedule, or (ii) the last day of the last development period.
b.	Renewal or extension of the term	N/A	Not Applicable.
c.	Requirements for franchisee to renew or extend	N/A	Not Applicable.
d.	Termination by franchisee	Section 5.1	You may terminate the Area Development Agreement upon 30 days' notice to us if we materially breach the Area Development Agreement and do not cure default within 30 days after our receipt of notice from you.
e.	Termination by franchisor without cause	N/A	Not Applicable.
f.	Termination by franchisor with cause	Section 5.2	Subject to applicable law, we may terminate only if you or your owners commit 1 of several violations, including, but not limited to, your failure to cure defaults within the applicable cure period (if any) under other agreements (including Franchise Agreements executed pursuant to any Area Development Agreement) executed with us or our affiliates.
g.	"Cause" defined - curable defaults	Section 5.2	Subject to applicable law, under the Area Development Agreement, you have 30 days to cure defaults not listed in (h) below; and the cure period (if any) under other agreements (including Franchise Agreements executed pursuant to any Area Development Agreement and Management Agreement) executed with us or our affiliates to avoid cross default.

	Provision	Section In Agreement	Summary
h.	"Cause" defined - non-curable defaults	Section 5.2	Non-curable defaults under the Area Development Agreement include: material misrepresentations or omissions; failure to comply with the Development Schedule or failure to make progress to indicate you will not fulfill development obligations; unapproved transfers; repeated defaults (even if cured); bankruptcy; an assignment for the benefit of creditors; appointment of a trustee or receiver; failure to comply with anti-terrorism laws; and failure to cure defaults under other agreements (including Franchise Agreement and Management Agreement) with us or our affiliate within the applicable cure period, if any.
i.	Franchisee's obligations on termination /non-renewal	Section 6.1	Under the Area Development Agreement, you must: cease to directly or indirectly exercise or attempt to exercise any rights granted to you under the Area Development Agreement; comply with all post-termination obligations; and refrain from interfering or attempting to interfere with our or our affiliates' relationships with vendors, franchisees, or consultants.
j.	Assignment of contract by franchisor	Section 4.1	No restriction on our right to assign.
k.	"Transfer" by franchisee - definition	Section 4.2	Includes the voluntary or involuntary sale, assignment, transfer, conveyance, gift, pledge, mortgage, or otherwise disposal of or encumbrance of any direct or indirect interest in the Area Development Agreement, your development rights, or any direct or indirect ownership interest in you (if you are an entity).
l.	Franchisor's approval of transfer by franchisee	Section 4.2	You cannot assign or transfer without 1st obtaining our prior written consent, and approval, which will not be unreasonably withheld, conditioned, or denied.

Provision		Section In Agreement	Summary
m.	Conditions for franchisor approval of transfer	Section 4.3	You (and your owners) are in compliance with the Area Development Agreement; transferee must provide all application materials and satisfy all selection criteria; you must provide transfer documents and transfer must meet our criteria; you (and your owners) and transferee (and its owners) must sign all documents required by us in connection with transfer; all of the transferee's obligations under promissory notes, agreements, or security interests reserved in your Development Rights must be subordinate to the transferee's obligation to pay all amounts due to us; you (and your owners) sign a general release (unless prohibited by state law) and a non-competition covenant; all monetary obligations have been paid; you (and your owners) had not breached the Area Development Agreement or any other agreement with us or our affiliate (including any Franchise Agreement) for 60 day period prior to request for consent to transfer; the transferee must sign our then current form of Area Development Agreement (the provisions of which may differ materially from those contained in the form Area Development Agreement attached to this Disclosure Document); payment of transfer fee; and the transfer of the Area Development Agreement must not be made separate and apart from the transfer to the same transferee of all Franchise Agreements that were signed pursuant to the Area Development Agreement.
n.	Franchisor's right of 1st refusal to acquire franchisee's business	Section 4.6	If you receive an offer to sell or transfer an interest, direct or indirect, in the Area Development Agreement, your business operated under the Area Development Agreement, or any direct or indirect ownership interest in you (if you are an entity), we have a right of 1st refusal to purchase such interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of such intention to sell/transfer, then you may sell or transfer in accordance with items 11 to 13 in this Item 17.
o.	Franchisor's option to purchase franchisee's business	N/A	Not Applicable.
p.	Death or disability	N/A	Not Applicable.
q.	Non-competition covenants during the term of the franchise	N/A	Not Applicable.
r.	Non-competition covenants after the franchise terminated or expires	N/A	Not Applicable.
s.	Modification of the agreement	Section 9.1	No modifications except in writing and signed by both you and us.

Provision		Section In Agreement	Summary
t.	Integration/merger clause	Section 9.6	Subject to applicable state laws, only the written terms of the Area Development Agreement and other related written agreements are binding. Any representation or promises outside of the Disclosure Document and Area Development Agreement may not be enforceable. However, nothing in the Area Development Agreement is intended to disclaim the representations we made in the Disclosure Document that we furnish to you.
u.	Dispute resolution by arbitration or mediation	Section 8.1	Subject to applicable state laws, we (& our affiliates) and you (& your affiliates) must arbitrate all disputes at a location in or within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently West Hollywood, CA).
v.	Choice of forum	Section 8.3	Subject to applicable state laws, you must sue us in the state where our or, as applicable, our successor's or assign's then-current corporate headquarters is located (currently West Hollywood, CA).
w.	Choice of law	Section 8.2	Subject to applicable state laws, the Area Development Agreement will be construed, and all disputes related to or arising in connection with the Area Development Agreement will be resolved, in accordance with DE law.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

As of December 31, 2025, there were (i) 5 franchised Next Health Centers, all of which commenced operations in 2025; and (ii) 6 affiliate-owned Next Health Centers, of which 1 commenced operations in 2025.

"Gross Sales" means all revenue generated from the operation of the Next Health Center regardless of the manner in which the price was paid by the purchaser of such products or services (including payments by cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions), but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from clients and paid to the appropriate taxing authority, (2) the amount of any documented refunds and credits your Center in good faith gives to clients and your employees, and (3) the amount of any discounts from the advertised price that are given at the point of purchase and that are reasonable and, if applicable, are consistent with any discount policies that we may periodically announce as part of the System Standards.

MONTHLY GROSS SALES OF NEW NEXT HEALTH CENTERS

The tables below state the monthly Gross Sales of the 5 franchised Next Health Centers and 1 affiliate owned Next Health Center (collectively, the "Data Set") that commenced operations in 2025 starting from the first full calendar month of operation until December 31, 2025 (the "Measurement Period").

Month After Opening in FY 2025	Corporate Center Opened in July 2025	Franchised Center Opened in Jan 2025	Franchised Center Opened in May 2025	Franchised Center Opened in June 2025	Franchised Center Opened in June 2025	Franchised Center Opened in Oct 2025
Month 1	$124,387	$61,404	$105,161	$63,172	$49,107	$375,811
Month 2	$207,053	$94,235	$62,013	$71,820	$96,384	$347,778
Month 3	$146,356	$119,872	$138,554	$117,959	$89,162	N/A
Month 4	$149,334	$187,335	$74,628	$134,852	$171,256	N/A
Month 5	$185,583	$172,088	$201,228	$132,082	$101,303	N/A
Month 6	N/A	$224,356	$82,246	$162,205	$214,132	N/A
Month 7	N/A	$223,905	$95,411	N/A	N/A	N/A
Month 8	N/A	$198,737	N/A	N/A	N/A	N/A
Month 9	N/A	$265,249	N/A	N/A	N/A	N/A
Month 10	N/A	$228,279	N/A	N/A	N/A	N/A
Month 11	N/A	$237,837	N/A	N/A	N/A	N/A

MATURE AFFILIATE OWNED NEXT HEALTH CENTER

Below is information relating to 2025 annual Gross Sales of 4 affiliate owned Next Health Centers that had been in operation for at least 36 months as of December 31, 2025 ("Mature Centers"). No franchised Next Health Center has been in operation for at least 36 months as of December 31, 2025.

Average Gross Sales:	$3,922,102 (1 out 4 i.e., 25% of the Mature Centers met or exceeded the average annual Gross Sales in 2025)
Highest Gross Sales:	$5,644,240
Median Gross Sales:	$3,529,446
Lowest Gross Sales:	$2,985,274

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation for these financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Scott Svilich, Chief Operating Officer, Next Health Franchising LLC, 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069, phone number: (310) 295-2075, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS & FRANCHISEE INFORMATION

Table No. 1:
Systemwide Outlet Summary for years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	5	+5
Company-Owned[2]	2023	5	5	0
	2024	5	5	5
	2025	5	6	+1
Total Outlets[3]	2023	5	5	0
	2024	5	5	5
	2025	5	11	+6

[1] Each of the years reflected in tables 1 to 4 of this Item 20 are calendar years, each ending December 31st of the applicable year.

[2] These numbers reflect the Next Health Centers owned by our affiliates.

Table No. 2:
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) For years 2023 to 2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0

Total	2023	0
	2024	0
	2025	0

Table No. 3
Status of Franchise Outlets For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of the Year
California	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	2	0	0	0	0	2
Florida	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Illinois	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Tennessee	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	5	0	0	0	0	5

Table No. 4:
Status of Company-Owned Outlets For Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
California	2023	3	0	0	0	0	3
	2024	3	0	0	0	0	3
	2025	3	1	0	0	0	4
Hawaii	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
New York	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Total	2023	5	0	0	0	0	5
	2024	5	0	0	0	0	5
	2025	5	1	0	0	0	6

1 These numbers reflect Next Health Centers owned by our affiliates.

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 Outlet in the Next Fiscal Year
Arizona	1	1	0
California	5	2	0
Colorado	1	1	0
Florida	3	1	0
Illinois	2	1	0
Massachusetts	1	2	0
Tennessee	1	1	0
Texas	2	2	0
Washington	3	1	0
Total	19	12	0

If you buy this franchise, your contact information may be disclosed to other buyers while you are a franchisee and when you leave the franchise system.

A list, as of December 31, 2025, of the names, addresses, and telephone numbers of our current franchisees and franchisees who have had a franchise terminated, canceled, not renewed, or who have otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document, is attached as Exhibit D to this Disclosure Document.

During the last 3 fiscal years, certain franchisees have signed confidentiality clauses with us. In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience as a Next Health franchisee. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit E to this Disclosure Document are our (i) unaudited balance sheet as of June 30, 2026 and interim profit and loss statement for the fiscal year 2025, and (ii) audited balance sheet as of December 31, 2025, December 31, 2024, and December 31, 2023 and the related statements of operations and members' deficit and cash flows for the fiscal years 2025, 2024, and 2023 (for the period from April 17, 2023 (inception) to December 31, 2023). Our fiscal year end is December 31st each year

ITEM 22
CONTRACTS

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

Exhibit B: Franchise Agreement
- Appendix I: Franchisee Specific Terms
- Appendix II: Payment & Performance Guarantee
- Appendix III: Next Health Payment Authorization Forms
- Appendix IV: Security Agreement
- Appendix V: Representations and Acknowledgement Statement

Exhibit C: Area Development Agreement
- Appendix I: Area Developer Specific Terms
- Appendix II: Payment & Performance Guarantee
- Appendix III: Next Health Payment Authorization Forms
- Appendix IV: Representations and Acknowledgement Statement

Exhibit G: Franchisee Specific Forms & Templates
- Appendix I: General Consent & Release
- Appendix II: Lease Rider

Exhibit H: State Riders

ITEM 23
RECEIPTS

2 copies of a detachable receipt acknowledging your receipt of this disclosure (1 copy is for you and the other is to be signed by you and given to us) appear as Exhibit I.

EXHIBIT A

DIRECTORY OF FRANCHISE REGULATORS, STATE ADMINISTRATORS, & AGENTS FOR SERVICE OF PROCESS

DIRECTORY OF FRANCHISE REGULATORS, STATE ADMINISTRATORS, & AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection & Innovation:
Toll Free: 1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

651 Bannon Street, Suite 300
Sacramento, California 95811
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Suite 600
San Francisco, California 94104
(415) 972-8559

HAWAII

(state administrator)

Commissioner of Securities
State of Hawaii, Dept. of Commerce and Consumer Affairs
Business Registration Division – Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(844) 808-3222

(agent for service of process)

Commissioner of Securities
State of Hawaii, Dept. of Commerce and Consumer Affairs
Business Registration Division – Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(844) 808-3222

ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62701
(217) 782-4465

INDIANA

(state administrator)

Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

(agent for service of process)

Indiana Secretary of State
200 West Washington Street, Room 201
Indianapolis, Indiana 46204
(317) 232-6531

MARYLAND

(state administrator)

Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner
at the Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

MICHIGAN

(state administrator)

Michigan Attorney General's Office
Corporate Oversight Division
Attn: Franchise Section
G. Mennen Williams Building, 5th Floor
525 West Ottawa Street
Lansing, Michigan 48913
(517) 335-7567

(agent for service of process)

Michigan Department of Commerce,
Corporations and Securities Bureau
P.O. Box 30018
Lansing, Michigan 48909

MINNESOTA

(state administrator)

Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

(agent for service of process)

Commissioner of Commerce
Minnesota Department of Commerce
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222 Phone
(212) 416-6042 Fax

(agent for service of process)

Attention: Secretary of State of New York
99 Washington Avenue
Albany, NY 12231-0001
(518) 473-2492

NORTH DAKOTA

(state administrator)

North Dakota Insurance & Securities Department
600 East Boulevard Avenue, Dept. 401
Bismarck, North Dakota 58505-0510
(701) 328-2910

(agent for service of process)

Insurance Commissioner
600 East Boulevard Avenue, Dept 401
Bismarck, North Dakota 58505
(701) 328-2910

OREGON

Department of Business Services
Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex
Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

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

VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
1300 East Main Street, First Floor
Richmond, Virginia 23219
(804) 371-9733

WASHINGTON

(state administrator)

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

(agent for service of process)

Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
4022 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-1064

(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT B

FRANCHISE AGREEMENT

NEXT HEALTH FRANCHISING, LLC
FRANCHISE AGREEMENT

FRANCHISEE: ______________________

DEVELOPER: ______________________

CENTER NUMBER: NH

CENTER NAME: TBD

EFFECTIVE DATE: ______________________

TABLE OF CONTENTS

Appendices

NEXT HEALTH FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (this "**Agreement**") is made and entered into on the date specified on Appendix I (the "**Effective Date**") by and between Next Health Franchising, LLC, a Delaware limited liability company, with its principal place of business at 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 (hereinafter referred to as "**Franchisor**"); and the party listed on Appendix I to this Agreement (hereinafter referred to as "**Franchisee**").

RECITALS

WHEREAS, Franchisor grants franchises (each a "**Franchise**") for developing, owning, and operating businesses (each a "**Next Health Center**") that arrange for the provision of wellness, anti-aging, and related products and services to their clients. Next Health Centers are currently identified by the trademark "**Next Health**®" (together, with such other trademarks, service marks, trade names, and commercial symbols Franchisor periodically designate, the "**Marks**") and are developed and operated using the System. The Next Health system is a unique method for operating Next Health Centers using certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for Services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**System**").

WHEREAS, Franchisee has requested that Franchisor grant Franchisee a Next Health Franchise and, to support Franchisee's request, Franchisee and, as applicable, Franchisee's owners have provided Franchisor with certain information about Franchisee and Franchisee's background, experience, skills, financial condition, and resources (collectively, the "**Application Materials**"). In reliance, in part, on the Application Materials, Franchisor is willing to grant Franchisee the Franchise on the terms and conditions contained in the Agreement. Franchisee's Next Health Center is referred to as the "**Center**."

WHEREAS, if Franchisee is not a natural person, Franchisee agrees, represents and warrants to Franchisor that: (1) Franchisee was validly formed and is and will maintain, throughout the Term (defined below), Franchisee's existence and good standing in all relevant jurisdictions in which it operates; (2) Franchisee's activities during the Term shall be confined to the ownership and operation of Franchisee's Center and any other Next Health centers that Franchisee operates pursuant to other franchise agreements with Franchisor; (3) at Franchisor's request, Franchisee will furnish Franchisor with copies of all documents regarding Franchisee's formation, existence, standing, ownership interest, and governance; and (4) each of Franchisee's owners that has any direct or indirect ownership in Franchisee (each an "**Owner**") and, if the Agreement is signed pursuant to an Area Development Agreement, the developer under that agreement will sign and deliver to Franchisor its then-standard form of the Payment & Performance Guarantee (the "**Guaranty**"), the current form of which is attached as Appendix II. Franchisor confirms that the non-owner a spouse will sign the Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing that agreement merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property).

NOW THEREFORE, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereto, intending to be legally bound, do hereby agree as follows:

1. THE FRANCHISE

1.1 **Grant.** Franchisor hereby grants Franchisee the right to develop, own, and operate a Next Health Center. Franchisee's Next Health Center is hereafter referred to as the "**Center**". The Center will operate solely at the "**Premises**" identified in Appendix I or that Franchisor may subsequently approve as described in Section 2 below, for a term beginning on the Effective Date and, unless sooner terminated as provided herein, expiring at the close of regular business on the day preceding the tenth (10th) anniversary of the Effective Date (the "**Term**"). Except as expressly provided in the Agreement, Franchisee agrees that Franchisee's Center will not offer its products or services at any location other than the Premises and to use the Premises only for Franchisee's Center. Franchisee also agrees that, once its Center opens for business, Franchisee will continuously operate it in accordance with this Agreement throughout the entire duration of the Term.

1.2 **Exclusivity; Reservation of Rights.** As long as Franchisee is in compliance with this Agreement and the Management Agreement (as defined in Section 8.1), Franchisee will not, during the Term, operate, or grant a license to a third (3rd) party to develop, own, or operate, a Next Health Center located within the Designated Area identified in Appendix I. Notwithstanding the foregoing, Franchisor and Franchisor's Affiliates have and retain all rights within and outside the Designated Area that are not expressly and exclusively granted to Franchisee under the Agreement and the right to do anything that Franchisor has not, in this Agreement, expressly agreed not to do, including the right to do and to authorize others to do the following:

1.2.1 develop, own, operate, and license others the right to develop, own, or operate, any business (including Next Health Centers) using the System Standards and/or the Marks, at any location outside the Designated Area on such terms and conditions that Franchisor deems appropriate;

1.2.2 develop or become associated with other businesses, including other health and wellness concepts and systems, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the Designated Area;

1.2.3 acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to Next Health Centers or operate as part of the Next Health Center System, or (ii) permit the other businesses to continue to operate under another name;

1.2.4 directly, or indirectly, market, offer and sell products and services similar to those offered by Next Health Centers that are not sold through Franchise Centers or under trademarks other than the Marks at any location, both within and outside the Designated Area;

1.2.5 market and sell anywhere (inside and outside the Designated Area), and grant to others the right to market and sell anywhere (inside and outside the Designated Area), products and services that are authorized for sale at Next Health Centers through alternative channels of distribution (like mail order, the Internet, e-commerce and catalog sales, and product lines in other businesses) using the Marks or other trademarks and commercial symbols; and

1.2.6 open and operate, or license third (3rd) parties the right to open or operate Special Venue Locations located within and outside the Designated Area. "**Special Venue Locations**" are temporary or permanent Next Health Centers located in hotels, resorts, health clubs, sports arenas, entertainment facilities, military facilities, and any captive location or host facility whose retail operations are controlled by a third (3rd) party or in Franchisor's judgment should be operated by a third (3rd) party.

2. DEVELOPMENT & OPENING OF FRANCHISEE'S CENTER

2.1 **Locating & Securing Possession of the Premises.** Franchisee is entirely responsible, at Franchisee's expense, for developing and opening the Center in accordance with this Agreement. Subject to

Franchisor's prior written acceptance, Franchisee must locate, select, and secure possession of the Premises from which the Center will operate. If the Premises are not identified in Appendix I when Franchisee signs the Franchise Agreement, Franchisee must, within ninety (90) days after the Effective Date, locate and obtain Franchisor's approval of the Premises, which must be located within the Search Area identified in Appendix I. Franchisor may evaluate the proposed Premises based on any criteria Franchisor believes is relevant, and Franchisee must provide any information requested to aid in Franchisor's evaluation of the proposed Premises~~.~~ Franchisor's approval of the Premises is entirely for Franchisor's own benefit and may not be relied upon as representation, warranty, or guaranty of any kind, including as to the suitability of the Premises or the likelihood of success of the Center at the Premises. Franchisee acknowledges that the Franchisor's evaluation criteria may vary based on the location and other key demographics.

Franchisee must secure possession of the Premises within ninety (90) days following Franchisor's approval, by signing a lease, sublease or other agreement that allows Franchisee to develop and operate the Center at the Premises for the entire Term (the "**Lease**"). Franchisee may not, however, sign the Lease until Franchisee has received Franchisor's written approval of its terms. As a condition to Franchisor's acceptance of the Lease, Franchisor may require the Lease to include certain provisions that Franchisor periodically requires to protect and maintain the Next Health brand and the System. Franchisor's current Lease requirements are reflected in Franchisor's form of lease addendum that is included as part of the Next Health Operations Manual and SOPs, as defined in Section 4. If the landlord of the Premises requires changes to Franchisor's standard lease addendum, a copy of which is annexed to the Operations Manual, Franchisee must pay Franchisor a Lease Review Fee, as outlined in Appendix I (the "**Lease Review Fee**"), to offset the expenses Franchisor incurs to conduct the review. If Franchisor accepts the Lease, Franchisor will do so for its own purposes, and Franchisor make no representation or warranty as to the quality or suitability of the Lease or its terms for Franchisee's purposes. Franchisor recommends Franchisee retains the services of its own-professional advisors, including an attorney, before signing the Lease. You acknowledge that we have advised you to have an attorney review and evaluate the Lease. Franchisee must provide Franchisor with the fully executed (by all parties) copy of the Lease (together with all exhibits) and Lease Addendum within ten (10) days after its execution.

2.2 Development & Opening of Franchisor's Center. Franchisor will provide Franchisee Franchisor's then-current prototypical plans showing the standard layout and placement specifications for all required equipment, supplies, the Computer System (defined below), furniture, fixtures and signage (all of the foregoing being referred to, collectively, as the "**Operating Assets**"). Franchisee must, by the earlier of (1) three hundred (300) days after Franchisee signs the Lease, or (2) four hundred-eighty (480) days after the Effective Date, do all things necessary to develop and open the Center in accordance with this Agreement, the System Standards, and applicable laws, including adapting the prototypical plans; acquiring and installing the Operating Assets; constructing the Center using approved vendors; retaining and paying all architects and contractors; securing all required operating permits, licenses, and insurance coverage to operate the Center; and retaining and training all necessary employees and contractors in compliance with applicable laws.

Franchisee may not open the Center for business until (i) Franchisee's PC and Medical Director confirm in writing that the Center is equipped and appropriately staffed for providing Regulated Services to customers, (ii) Franchisor has confirmed in writing that Franchisee has paid all fees due to Franchisor, (iii) Franchisee and Franchisee's designated personnel have successfully completed all required training to our satisfaction, (iv) any pre-opening marketing requirements have been completed to Franchisor's satisfaction, (v) Franchisee has received Franchisor's prior written approval for opening, and (vi) Franchisor has received all documents Franchisor requires regarding the development and opening of the Center including, but not limited to, copies of all insurance policies required by this Agreement, or applicable law, and any entity formation and organizational documents. Subject to Franchisee's compliance with applicable laws, Franchisee must open the Center for regular business not later than five (5) days following Franchisor's written confirmation of those items.

2.3 Architect & General Contractor Review. Franchisor recommends that Franchisee engages its designated architect and general contractor to develop the Center; however, if Franchisee wishes to engage any alternate architect or general contractor then Franchisor reserves the right to evaluate and approve Franchisee's proposed architect or general contractor based on criteria that Franchisor establishes. If Franchisor exercises that right, Franchisee will pay Franchisor the Architect & General Contractor Review Fee (the "**Architect & General Contractor Review Fee**"), as identified in Appendix I, to compensate Franchisor for the time spent evaluating and training Franchisee's preferred architect or general contractor.

2.4 **Architect Design Fee.** Franchisor recommends that Franchisee engages its designated architect; however, if Franchisee wishes to engage any alternate architect then Franchisor reserves the right to charge an Architect Design Fee (the "**Architect Design Fee**") as identified in Appendix I, to review the proposed design for compliance with our System Standards.

2.5 **Liquidity & Financing.** Franchisor has granted the Franchise to Franchisee based, in part, on Franchisee's representations to Franchisor regarding, and Franchisor's assessment of, Franchisee's liquidity as of the Effective Date, and Franchisee's evaluation of and reliance on such information provided by Franchisee. Franchisee will ensure that, throughout the Term, Franchisee will maintain sufficient liquidity to meet Franchisee's obligations under the Agreement. Franchisor reserves the right to establish and modify specific liquidity requirements from time to time, and Franchisee agrees to comply with them. If at any time Franchisee or its Affiliates propose to obtain any financing in which the Premises, the Center or any aspects of its operation, or any Operating Assets are intended to be pledged as collateral to secure Franchisee's performance in connection with such financing, the proposed loan and security agreements must be acceptable to Franchisor before Franchisee signs them. Franchisor does not allow the Franchise or the Agreement to be used as collateral for repayment of any such loans, and Franchisee agrees not to grant a security interest in them, or in any of the Operating Assets without the Franchisor's express written knowledge and approval.

3. CERTAIN FEES

3.1 **Initial Franchise Fee.** Franchisee agrees to pay Franchisor, on Franchisee's execution of the Agreement, a nonrecurring and nonrefundable initial franchise fee in the amount shown in Appendix I (the "**Initial Franchise Fee**").

3.2 **Royalty Fee.** Throughout the Term, Franchisee agrees to pay Franchisor a royalty fee (the "**Royalty**") at the rate identified in Appendix I. The Royalty will be due and payable based on the Gross Sales (as defined below) for such periods and in such intervals that Franchisor requires from time to time. Notwithstanding anything to the contrary, if any applicable law prohibits or restricts in any way Franchisee's ability to pay, or Franchisor's ability to collect, Royalty or other amounts based on Gross Sales derived from the operation of the Center, then Franchisor reserves the right to modify Franchisee's payment obligations to Franchisor under the Agreement and revise the applicable provisions hereunder in order to provide the same basic economic effect to both Franchisor and Franchisee as currently provided in the Agreement. In such event, Franchisee agrees to execute the appropriate document(s) in the form Franchisor prescribes to give effect to or take account of such revisions.

Since Royalty is calculated on the Center's Gross Sales, Franchisee will, among other things, deprive Franchisor of its revenue stream if Franchisee temporarily closes the Center without Franchisor's consent. In that instance, if Franchisor does not exercise its right to terminate the Agreement, Franchisee's Royalty for the period of temporary closure will be the greater of the average of the Royalty owed for the three (3) Royalty periods immediately preceding the temporary closure or Two thousand and 00/100 Dollars ($2,000.00) for each week the Center is temporarily closed (prorated as appropriate). Payment of Royalty under this paragraph addresses only one (1) element of damages caused by an unauthorized closure, so such payments will not act as a cure of the default caused by the unauthorized closure and will not impair any other rights Franchisor has under the Agreement or any other agreements between Franchisor and Franchisee or Franchisee's Affiliates, all of which are reserved. Franchisee may not re-open the Center without Franchisor's prior written consent.

3.3 Definition of "Gross Sales". As used in the Agreement, "**Gross Sales**" means all revenue generated from the operation of the Center (whether or not in compliance with the Agreement), regardless of the manner in which the price was paid by the purchaser of such products or services (including payments by cash, check, credit or debit card, barter exchange, trade credit, or other credit transactions), but excluding (1) all federal, state, or municipal sales, use, or service taxes collected from clients and paid to the appropriate taxing authority, (2) the amount of any documented refunds and credits the Center in good faith gives to clients and Franchisee's employees, and (3) the amount of any discounts from the advertised price that are given at the point of purchase and that are reasonable and, if applicable, are consistent with any discount policies that Franchisor may announce from time to time as part of the System Standards. Revenue from the purchase or redemption of gift certificates, gift cards, loyalty, or similar programs is calculated as part of Gross Sales in accordance with Franchisor's then-current guidelines for such programs. Gross Sales also include all insurance proceeds Franchisee receives to replace revenue that Franchisee loses from the interruption of the Center due to a casualty or other event covered by business interruption or similar insurance coverage. Gross Sales do not include revenue generated from the provision of Regulated Services (as defined in Section 8.1.2) at the Center.

3.4 Relocation Fee. Franchisee will not relocate the Center without Franchisor's prior written consent, which will not be unreasonably withheld, conditioned, or denied. Franchisee must, concurrently with Franchisee's request for relocation of the Center, pay Franchisor the Relocation Fee identified in Appendix I (the "**Relocation Fee**"). If Franchisor approves the new proposed Premises, within the Designated Area, Franchisor may condition its consent to the relocation of the Center in any manner Franchisor deems appropriate.

3.5 Other Fees. In addition to the fees provided in Sections 3.1, 3.2, and 3.4, Franchisee agrees to pay Franchisor the fees identified in Appendix I and elsewhere in this Agreement.

3.6 Supplemental Products & Services. Franchisee also acknowledges and agrees that Franchisor might, from time to time, develop programs or provide services that might, at its discretion, be either optional or mandatory in connection with the operation of Next Health Centers. In connection with such programs and services, Franchisor may charge an initial and/or continuing fees, which are subject to change from time to time in its sole discretion. Franchisee agrees to pay the associated fees, in the manner and amounts Franchisor designates from time to time in exchange for Franchisee's participation in the programs or services.

3.7 Non-Compliance Charge. The Royalty that Franchisor charges under the Agreement was determined based on the assumption that Franchisee will comply with its obligations hereunder. If Franchisee does not comply with its obligations, Franchisor will incur additional costs and expenses. Therefore, if Franchisor determines that Franchisee is not in compliance with its obligations under the Agreement, Franchisee's Royalty rate will be increased by one percentage (1%) point until Franchisor determines that Franchisee has cured all deficiencies and are compliant with all terms of the Agreement, at which time it will revert to the rate shown in Section 3.2 above. Payment of the non-compliance charge is not a cure of the non-compliance that triggered its payment. The non-compliance fee is intended to compensate Franchisor for certain expenses it will incur as a result of the non-compliance and is not a penalty or an expression of the total amount of such damages. Nothing in this Section limits any of Franchisor's other rights and remedies available under the terms of this Agreement. The non-compliance charge does not apply to unauthorized closure of the Center.

3.8 Late Payments & Reporting. All amounts Franchisee owes Franchisor for any reason will bear interest after Franchisee's due date at one and a half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. Franchisor will charge a service fee of One hundred, and 00/100 Dollars ($100.00) per occurrence for checks returned to Franchisor due to insufficient funds or in the event there are insufficient funds in the business account Franchisee designates to cover Franchisor's withdrawals. Franchisor may debit Franchisee's bank account automatically for the service charge and interest. Franchisee acknowledges that this Section 3.8 is not Franchisor's agreement to accept any payments after they are due or is Franchisor's commitment to extend credit to or otherwise finance Franchisee's operation of the Center.

If Franchisee fails to report the Gross Sales in the manner that Franchisor requires from time-to-time, Franchisor may debit Franchisee's account for one hundred, ten percent (110%) of the average of the last three (3) Royalty payments and Brand Fund contributions that Franchisor debited. If the amounts that Franchisor debit from Franchisee's account under this paragraph are less than the amounts Franchisee actually owes Franchisor (once Franchisor has determined the true and correct Gross Sales), Franchisor will debit Franchisee's account for the balance on the day Franchisor specify. If the amounts that Franchisor debit from Franchisee's account are greater than the amounts Franchisee actually owes Franchisor, Franchisor will credit the excess against the amounts Franchisor otherwise would debit from Franchisee's account during the following week.

3.9 Application of Payments; Set-Offs. Despite any designation Franchisee makes, Franchisor may apply any of Franchisee's payments to any of Franchisee's past due indebtedness to Franchisor. Franchisor and its Affiliates may set off any amounts Franchisee or its Affiliates owe to Franchisor or its Affiliates against any amounts Franchisor or its Affiliates owe Franchisee or its Affiliates. Franchisee may not withhold payment of any amounts owed to Franchisor on the grounds of Franchisor's alleged nonperformance of any of its obligations under the Agreement or for any other reason, and Franchisee specifically waives any right Franchisee may have at law or in equity to offset any funds Franchisee may owe Franchisor or to fail or refuse to perform any of Franchisee's obligations under the Agreement.

3.10 Method of Payment. Franchisor may require Franchisee, and Franchisee agrees, to pay any amounts Franchisee owes Franchisor or its Affiliates by any means Franchisor periodically specifies whenever Franchisor deems appropriate. Currently, Franchisee authorizes Franchisor to debit Franchisee's designated bank account for all such amounts (the "**EFT Authorization**"). Franchisee agrees to sign and deliver to Franchisor any documents Franchisor and Franchisee's bank requires for such EFT Authorization. Such EFT Authorization shall remain in full force and effect at all times the Agreement is in effect and for thirty (30) days following its expiration or termination.

3.11 No Referral Fee, Gratuities, or Gifts. Any payment made by Franchisee to Franchisor or Franchisor's Affiliates pursuant to the Agreement or any other agreement will not amount to payment for the referral of customers to Franchisee and shall not violate any federal, state, or local anti-kickback statutes or otherwise, and Franchisee acknowledges and agrees that the services Franchisor and Franchisor's Affiliates offer do not include the referral of customers. Neither Franchisee nor Franchisee's Owners will make or offer any gratuity, gift, personal service, favor, or other preferential treatment of any kind to Franchisor, Franchisor's Affiliates, Franchisor or Franchisor's Affiliates' owners or employees, or family members of Franchisor's or Franchisor's Affiliates' owners or employees. The foregoing does not include reasonable food and beverage or other customary courtesies.

4. TRAINING & ASSISTANCE

4.1 Initial Training. Pursuant to Section 8.1 below, Franchisee is required to retain and have in place at all times certain required personnel including a General Manager, a Nurse Practitioner, and an Aesthetic RN (as defined in Section 8.1). Franchisee may not open Franchisee's Center to the public until Franchisee's Managing Owner, General Manager, Nurse Practitioner, and Aesthetic RN (collectively, the "**Required Trainees**") complete Franchisor's initial training programs to Franchisor's satisfaction. Franchisor will determine the scheduling, location, content, length and format of Franchisor's initial training program, and Franchisor reserves the right to require that all Franchisee's trainees attend and participate at the same time, or to establish any other reasonable guidelines. Franchisor does not charge any fee for providing initial training to Franchisee's initial Managing Owner and Franchisee's initial General Manager; however, Franchisee must pay Franchisor the Training Fee in the amount shown in Appendix I (the "**Training Fee**") for providing initial training to Franchisee's Nurse Practitioner and Aesthetic RN. Any replacement or substitute Required Trainee must complete initial training for their respective positions within 30 days of joining. Franchisor reserves the right to charge the Training Fee for providing any initial training to any replacement or successor Required Trainees or for providing supplemental or additional training to the Required Trainees on Franchisee's request or in Franchisor's own discretion. Franchisee will be responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, persons attending the initial training program on Franchisee's behalf or at Franchisee's or Franchisor's request.

4.2 Training of Employees. Franchisee must implement a training program that Franchisor approves for employees of Franchisee's Center, and Franchisee will be responsible for the proper training of Franchisee's employees; however, Franchisor does not require or authorize Franchisee to provide any medical training to licensed healthcare professionals. Any training related to Regulated Services shall be facilitated and organized by the Provider and the Medical Director, at the Medical Director's sole direction and discretion. Franchisee must ensure that everyone Franchisee employs successfully completes the training program, is properly trained, and is qualified to perform his/her duties at Franchisee's Center in accordance with the applicable laws and System Standards.

4.3 Opening Assistance. Franchisor may, at Franchisor's discretion, provide on-site assistance with the initial opening of Franchisee's Center. The timing, the identity of the person(s) providing, and the length of such assistance will be determined by Franchisor in Franchisor's discretion. Franchisor will not charge a fee for providing opening assistance, but if Franchisor determines it to be necessary to increase or re-schedule Franchisor's available resources to accommodate the timing of the opening of Franchisee's Center or the kind or extent of assistance Franchisor determines to be necessary, Franchisor may require that Franchisee reimburse Franchisor's expenses associated with doing so. Franchisor's personnel supporting Franchisee's Center's opening will not be responsible for the operation of Franchisee's Center or providing or supervising Regulated Services at Franchisee's Center and Franchisee shall be solely responsible for ensuring that the Center is fully staffed and operational.

4.4 Additional Training. Franchisee's Required Trainees and/or such other persons as Franchisor may designate from time to time must attend such additional or remedial training programs and seminars as Franchisor may offer periodically. Franchisee must pay Franchisor's Training Fee as described in Appendix I for providing supplemental or additional designated by Franchisor or requested by Franchisee. Franchisee will be responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, persons attending the additional training programs on Franchisee's behalf or at Franchisee's request.

4.5 Meetings & Conferences. Franchisor reserves the right to require each of Franchisee's Required Attendees (as defined below) to attend, both in-person and virtually, meetings and conferences, including regional and national meetings and conferences of persons involved in the ownership or operation of Next Health Centers and other industry related conferences (each a "**Conference**") that Franchisor designate from time to time. Each of Franchisee's Owners, Required Trainees and such other persons as Franchisor may designate from time to time depending on the nature of the Conference ("**Required Attendees**") must attend each such Conference, unless Franchisor provide prior written consent otherwise. Franchisee will be responsible for all travel and living expenses, wages, and benefits owed to, and other costs of, persons attending such Conferences on Franchisee's behalf or at Franchisee's request. Franchisor reserves the right to require Franchisee to pay Franchisor a registration fee ranging from Nine hundred, ninety-nine and 00/100 Dollars ($999.00) to One thousand, four hundred, ninety-nine and 00/100 Dollars ($1,499.00) (the "**Conference Registration Fee**") for attendance at each Conference organized by Franchisor or Franchisor's Affiliates, which will be due and payable regardless of whether any Required Attendee actually attends the particular Conference.

4.6 Operations Manual & Standard Operating Procedures. During the Term, Franchisor will provide Franchisee with access to Franchisor's Operation Manual (the "**Operations Manual**"), which include the Standard Operating Procedures (the "**SOPs**") applicable to the development and operation of Next Health Centers. Franchisor will determine the content of the Operations Manual, including the SOP, the frequency in which it may be updated, and the manner and format in which it is delivered or made available to Franchisee. The Operations Manual may contain mandatory specifications, standards, operating procedures, and rules that Franchisor periodically prescribe for developing, managing, and operating Next Health Centers ("**System Standards**"); however, Franchisor's System Standards do not directly or indirectly govern or regulate the purchase, placement or use of Operating Assets used in provision of Regulated Services or any other aspect of provision of Regulated Services. Franchisee agrees to comply with Franchisor's System Standards. The Operations Manual may, from time to time, also contain other specifications, standards and policies that Franchisor's Affiliates implement in their Next Health Centers and that Franchisee may elect to implement at Franchisee's discretion. Adoption of those items in the operation of Franchisee's Center will be optional.

Franchisor's master copy of the Next Health Operations Manual and SOPs are the controlling copies. The Operations Manual and any passwords and access credentials are part of Franchisor's Confidential Information (defined below) and must be protected against improper use and disclosure. As such, Franchisee may use it only in the operation of Franchisee's Center in accordance with this Agreement and protect it from improper use and disclosure as described in Section 7 below. Franchisee is responsible for any loss, destruction, damage, or unauthorized access or use of Franchisee's copy of the Operations Manual and SOPs.

4.7 Statement Regarding Training, Assistance, & System Standards. NOTWITHSTANDING ANYTHING TO THE CONTRARY, IT IS UNDERSTOOD THAT THE AGREEMENT, THE OPERATIONS MANUAL, SOPS, SYSTEM STANDARDS, AND/OR ANY TRAINING OR ASSISTANCE, OR ANY WRITTEN GUIDANCE OR MATERIALS PROVIDED TO FRANCHISEE BY FRANCHISOR OR ON FRANCHISOR'S BEHALF (1) RELATE SOLELY TO THE PERFORMANCE OF ACTIVITIES THAT ARE NOT REGULATED BY LAWS GOVERNING PROVISION OF REGULATED SERVICES, (2) DO NOT CONSTITUTE OR INTEND TO CONSTITUTE THE PRACTICE OF MEDICINE OR THE PERFORMANCE OF REGULATED SERVICES IN A MANNER THAT IS NOT PERMISSIBLE UNDER THE APPLICABLE LAWS, (3) DOES NOT AMOUNT TO FRANCHISOR OR FRANCHISOR'S AFFILIATES EXERTING CONTROL OVER THE DELIVERY OR SUPERVISION OF REGULATED SERVICES, AND (4) DO NOT REQUIRE FRANCHISEE TO PRACTICE MEDICINE, HIRE LICENSED HEALTH CARE PROFESSIONALS OR PROVIDE TRAINING TO THEM, PROVIDE REGULATED SERVICES, OR EXERT CONTROL OVER THE DELIVERY OR SUPERVISION OF REGULATED SERVICES. TO THE EXTENT, THE DOCTRINE OF CORPORATE PRACTICE OF MEDICINE OR ANY APPLICABLE LAW PROHIBITS FRANCHISOR FROM EXERCISING ANY OF FRANCHISOR'S RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT, THOSE RIGHTS AND OBLIGATIONS WILL BE DEEMED MODIFIED TO COMPLY WITH THE DOCTRINE OF CORPORATE PRACTICE OF MEDICINE AND ANY APPLICABLE LAW.

5. INTELLECTUAL PROPERTY

5.1 Ownership & Goodwill. Franchisee's right to use the Marks and the System is derived solely from this Agreement and limited to Franchisee's operating Franchisee's Center at the Premises according to this Agreement and all System Standards. Franchisee's unauthorized use of the Marks or the System is a breach of this Agreement and infringes Franchisor's and Franchisor's Affiliates' intellectual property rights. Franchisee's use of the Marks and the System and any goodwill created by that use are exclusively for Franchisor's and Franchisor's Affiliates' benefit, and this Agreement does not confer any goodwill or other interests in the Marks upon Franchisee (other than the right to use them strictly as described in this Agreement). All provisions of this Agreement relating to the Marks, or the System apply to any additional proprietary, modified, or substitute trademarks and, service marks, operating procedures, or other components of the foregoing that Franchisor may authorize for Next Health Centers. Franchisee agrees not to, at any time during or after the Term, contest or assist any other person in contesting the validity of Franchisor's and Franchisor's Affiliates' rights to the Marks or the System.

5.2 Limitations on Franchisee's Use of Marks. Franchisee agrees to use the Marks Franchisor periodically designates to solely identify Franchisee's Center and to identify Franchisee's as the licensee of the Marks and the independent owner of Franchisee's Center in the manner Franchisor prescribes. Franchisee may not use any Mark (i) as part of any business entity name, (ii) with any modifying words, terms, designs, or symbols (other than logos Franchisor has licensed to Franchisee), (iii) in selling any unauthorized services or products, (iv) as part of any website, domain name, email address, social media account, user name, other online presence or presence on any electronic, virtual, or digital medium of any kind ("**Online Presence**"), except as set forth in the Operations Manual and SOPs or otherwise approved in writing by Franchisor from time to time, or (v) in any other manner that Franchisor has not expressly authorized in writing. Franchisee agrees to give the notices of trademark and service mark ownership and registrations that Franchisor specify and to maintain, solely during the Term, any fictitious or assumed name registrations required under applicable laws. Franchisee may not use any Mark in advertising the transfer, sale, or other disposition of Franchisee's Center, an ownership interest in Franchisee, or any Operating Assets, without Franchisor's prior written consent.

5.3 **Notification of Infringements & Claims.** Franchisee agrees to notify Franchisor immediately of any apparent infringement or challenge to Franchisee's use of any Mark, or of any person's claim of any rights to or in any Mark or any component of the System (each an "**Infringement Matter**"), and not to communicate with any person other than Franchisor or Franchisor's Affiliates, Franchisor's attorneys, and Franchisee's attorneys, regarding any such Infringement Matter. Franchisor and Franchisor's Affiliates may take the action Franchisor or they deem appropriate (including no action) and control exclusively any litigation, administrative actions, or other legal proceedings arising from any Infringement Matter, and Franchisee agrees to sign any documents and take any other reasonable action that Franchisor believes are necessary or advisable to protect and maintain Franchisor's and Franchisor's Affiliates' interests in any such proceeding or otherwise to protect and maintain Franchisor's and their interests in the Marks and the System. Franchisor will reimburse Franchisee for Franchisee's reasonable costs of taking any action that Franchisor or Franchisor's Affiliates ask Franchisee to take in this regard. Franchisor also agrees to reimburse Franchisee for all damages and expenses that Franchisee may incur in any trademark infringement proceeding disputing Franchisee's authorized use of any Mark and the System under this Agreement if Franchisee has timely notified Franchisor of, and comply with Franchisor's directions in responding to, the proceeding.

5.4 **Discontinuance or Modification.** If it becomes advisable, in Franchisor's opinion, to modify or discontinue using any Mark, use one or more additional or substitute trademarks or service marks, or modify any components of the System, Franchisee agrees to comply with Franchisor's directions within a reasonable time after receiving notice. Franchisor need not reimburse Franchisee for Franchisee's expenses of complying with Franchisor's directions in that regard, for any loss of revenue due to any modified or discontinued Mark or component of the System, or for Franchisee's expenses of promoting a modified or substitute trademark or service mark. Franchisor may exercise these rights at any time and for any reason, business or otherwise, that Franchisor thinks best, and Franchisee hereby waives any claims, demands or damages arising therefrom.

5.5 **Non-Disparagement.** During and after the Term, Franchisee agrees not to, and to cause Franchisee's respective current and former immediate family members, (including spouses and children), owners, officers, directors, agents, employees, representatives, spouses, Affiliates, successors, agents, and assigns not to: (i) disparage or otherwise speak or write negatively, directly or indirectly, of Franchisor and its predecessors, parents, successors-in-interest and assigns, Franchisor's Affiliates, and any of Franchisor's or Franchisor's Affiliates' respective past or present directors, officers, employees, agents, or representatives, the "NEXT HEALTH" brand, any Next Health Center, any business using the Marks, or any other brand concept operated or franchised by Franchisor or Franchisor's Affiliates; (ii) take any other action which would, directly or indirectly, subject any of the foregoing to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact or injure the goodwill of the System or the Marks; or (iii) take any other action which would constitute an act of moral turpitude and/or is or could reasonably become the subject of public scandal, disrepute, or infamy.

6. CONFIDENTIAL INFORMATION.

6.1 **Types of Confidential Information.** In connection with Franchisee's Next Health Center under this Agreement, Franchisee, Franchisee's Owners, and personnel may from time to time be provided and/or have access to non-public information about the Franchise System and the operation of Next Health Centers (some of which constitutes Franchisor's trade secrets under applicable law), regardless of whether such information is marked confidential (the "**Confidential Information**"), including:

6.1.1 site selection evaluation criteria;

6.1.2 training and operations materials, including Operations Manual and SOPs;

6.1.3 the System Standards and other methods, formats, specifications, standards, systems, procedures, techniques, market research, client data, knowledge, and experience used in developing, promoting and operating Next Health Centers and the products they offer and sell;

6.1.4 market research, promotional, marketing and advertising programs for Next Health Centers;

6.1.5 knowledge of specifications for, and vendors of, Operating Assets and other products and supplies;

6.1.6 any software or other technology which is proprietary to Franchisor, Franchisor's Affiliates, or the System, including digital passwords and identifications and any source code of, and data, reports, and other materials generated by, the software or other technology;

6.1.7 knowledge of the operating results and financial performance of Next Health Centers, including Franchisee's Center;

6.1.8 Personal Information (as defined in Section 8.11) of Franchisee's Center's that is designated by us; and

6.1.9 any other information designated as confidential or proprietary by Franchisor. Confidential Information does not include (i) any information, materials, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to Franchisor or Franchisor's Affiliates; and (ii) Restricted Information (as defined in Section 8.11 below).

NOTWITHSTANDING ANYTHING TO THE CONTRARY, TO THE EXTENT ANY CONFIDENTIAL INFORMATION REGARDING FRANCHISEE'S CENTER OR FRANCHISEE'S CENTER'S CUSTOMERS CANNOT BE TRANSMITTED OR SHARED WITH FRANCHISOR UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 AND ITS ENABLING REGULATIONS AS IT OR THEY MAY BE AMENDED FROM TIME TO TIME ("**HIPAA**") OR OTHER APPLICABLE LAWS, THEN THIS AGREEMENT SHALL BE INTERPRETED SO AS TO COMPLY WITH SUCH LIMITATIONS.

6.2 **Disclosure & Limitations of Use.** Franchisee agrees that Franchisee's relationship with Franchisor does not vest in Franchisee any interest in the Confidential Information other than the right to use it in the development, management, and operation of Franchisee's Center in accordance with this Agreement, and that the use, duplication or improper distribution or publication of the Confidential Information in any case would constitute an unfair method of competition. Franchisee acknowledges and agrees that the Confidential Information is proprietary to Franchisor and Franchisor's Affiliates, includes trade secrets belonging to Franchisor and Franchisor's Affiliates, and is disclosed to Franchisee or authorized for Franchisee's use solely on the condition that Franchisee will protect it.

Franchisee and its Owners agree (and shall use their best efforts to cause each of their respective current and former spouses, immediate family members, owners, officers, directors, employees, representatives, affiliates, successors, and assigns to):

6.2.10 process, retain, use, collect, and disclose the Franchisor's Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of the Franchisee's Center in accordance with this Agreement, and not for any other purpose of any kind;

6.2.11 process, retain, use, collect, and disclose the Franchisor's Confidential Information strictly in accordance with the privacy policies and System Standards established by the Franchisor from time to time, and in accordance with the instructions of the Franchisor and its representatives;

6.2.12 keep confidential and not disclose, sell, distribute, or trade the Franchisor's Confidential Information to any person other than those employees and representatives of the Franchisee who need to know such Confidential Information for the purpose of assisting the Franchisee in operating the Center in accordance with this Agreement; and the Franchisee agrees that it shall be responsible for any violation of this requirement by any person to whom the Franchisee provides Confidential Information;

6.2.13 not make unauthorized copies of any of the Franchisor's Confidential Information;

6.2.14 adopt and maintain administrative, physical, and technical safeguards to prevent unauthorized use or disclosure of any of the Franchisor's Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve the Franchisor's rights and controls in such Confidential Information, in each case providing protection no less than that required under this Agreement (and the Franchisor reserves the right to designate or approve the form of confidentiality agreement used, provided that the Franchisee remains responsible for ensuring such agreement complies with and is enforceable under applicable laws in its jurisdiction); and

6.2.15 at the Franchisor's request, destroy or return any of the Confidential Information.

Franchisee agrees to require its personnel with access to Confidential Information to sign a non-disclosure agreement. Franchisor has the right to regulate the form of agreement that Franchisee uses and to be a third (3rd) party beneficiary of that agreement with independent enforcement rights.

Franchisor and its affiliates make no representations or warranties, express or implied, with respect to the Confidential Information. The Franchisor and its affiliates shall have no liability to the Franchisee or its affiliates for any errors or omissions in the Confidential Information.

6.3 Exceptions to Limitations. The restrictions on Franchisee's disclosure and use of the Confidential Information will not apply to the: (i) disclosure or use of information, processes, or techniques which are generally known and used in Franchisee's Center industry (as long as the availability is not because of a disclosure by Franchisee), provided that Franchisee has first (1st) given Franchisor written notice of Franchisee's intended disclosure and/or use; (ii) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent Franchisee is legally compelled to disclose it, provided that Franchisee has first (1st) given Franchisor the opportunity to obtain an appropriate protective order or other assurance satisfactory to Franchisor that the information required to be disclosed will be treated confidentially; and (iii) disclosure of Franchisee's Center's operating results and financial performance to Franchisee's existing and prospective lenders, and, provided they are bound by confidentiality obligations, to potential investors in Franchisee or purchasers of Franchisee's Center.

6.4 Innovations. Franchisee must promptly disclose to Franchisor all ideas, concepts, methods, techniques, and products conceived or developed by Franchisee, Franchisee's Affiliates, and/or any of Franchisee's or Franchisee's Affiliates', owners, agents, representatives, contractors or employees during the Term relating to the development or operation of Franchisee's Center or other Next Health Centers ("**Innovations**"), whether or not protectable intellectual property and whether created by or for Franchisee or Franchisee's Owners, General Manager, Nurse Practitioner, Aesthetic RN, or other employees. All Innovations are Franchisor's sole and exclusive property and works made-for-hire for Franchisor and shall constitute

Franchisor's Confidential Information. To the extent any Innovation does not qualify as a work made-for-hire for Franchisor, by this Section 6, Franchisee assigns ownership of that Innovation, and all related rights to that Innovation, to Franchisor and agrees to sign (and to cause Franchisee's Owners, employees, and contractors to sign) whatever assignment or other documents Franchisor requests to evidence Franchisor's ownership or to help Franchisor obtain intellectual property rights in the Innovation. Franchisor and Franchisor's Affiliates have no obligation to make any payments to Franchisee or any other person with respect to any Innovations. Franchisee may not use any Innovation in operating Franchisee's Center or otherwise without Franchisor's prior approval.

7. COMPETITION & INTERFERENCE DURING TERM

7.1 Covenants. Franchisor has granted Franchisee the Franchise in consideration of and reliance upon Franchisee's agreement to deal exclusively with Franchisor and this Agreement of certain of Franchisee's related parties not to engage in activities that are competitive with Franchisor and Next Health Centers. Franchisee therefore agrees that, during the Term, neither Franchisee and Franchisee's Owners nor any of Franchisee's and Franchisee's Owners' immediate family members will:

7.1.1 have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise) in a Competitive Business (defined below), wherever located or operating (except that equity ownership of less than five percent (5%) of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

7.1.2 perform services for or provide benefits to, in any capacity, a Competitive Business, wherever located or operating;

7.1.3 divert or attempt to divert any actual or potential business or client of Franchisee's Center to a Competitive Business;

7.1.4 interfere or attempt to interfere with Franchisor's or Franchisor's Affiliates' relationships with any vendors, franchisees, or consultants; or

7.1.5 directly or indirectly, appropriate, use or duplicate the System or System Standards, or any portion thereof, for use in any other business or endeavor.

Subject to the applicable laws, Franchisee agrees to obtain similar covenants and the covenants described in Section 15 from Franchisee's General Manager, Nurse Practitioner, Aesthetic RN, and other personnel Franchisor specify from time to time. Franchisor has the right to regulate the form of agreement that Franchisee uses and to be a third (3rd) party beneficiary of that agreement with independent enforcement rights.

7.2 Competitive Business Defined. The term "**Competitive Business**" means any business other than a Next Health Center which (1) generates or is expected to generate at least twenty percent (20%) of its revenue from performing or arranging the provision of any, or any combination of, the following services: cryotherapy, IV therapy, hormone replacement therapy, hyperbaric oxygen therapy, diagnostic testing and/or other services that are offered at Next Health Centers from time to time, or (2) franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses.

8. BUSINESS OPERATIONS & SYSTEM STANDARDS

8.1 Certain Required Personnel. It is Franchisee's responsibility to hire such number of personnel that are necessary and sufficient to operate Franchisee's Center in compliance with the System Standards and applicable laws. Franchisee must ensure that all personnel regardless of whether they are full-time, part-time, or contract workers, to be properly licensed, certified, and registered with appropriate agencies, and they must be trained, educated and experienced to perform the tasks assigned to them or to which they are likely to engage in connection with their relationship with Franchisee's Center. Franchisee must also ensure that if applicable law permits certain activities to be performed under the direct supervision and control of a lawfully licensed certified professional, such activities are so properly supervised and controlled.

Franchisee is solely responsible for all decisions relating to employees, agents, and independent contractors that Franchisee hires to assist with the operation of Franchisee's Center. Any employee, agent or independent contractor that Franchisee hires will not be Franchisor's or Franchisor's Affiliates' employee, agent or independent contractor. All staff employed by Franchisee shall remain at all times subject to the sole and exclusive control, supervision, and direction of Franchisee, and it shall have sole and exclusive control over the selection, hiring, discipline, and firing of such workers. Nothing in this Agreement shall be interpreted or construed to create a joint-employer, joint venture, partnership, fiduciary, or agency relationship. Franchisee is exclusively responsible for the terms and conditions of employment of Franchisee's employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. Franchisee agrees to manage the employment functions of Franchisee's Center in compliance with federal, state, and local employment laws.

At a minimum, Franchisee must, at all times, satisfy the following requirements:

8.1.1 Managing Owner. If Franchisee is not a natural person, then Franchisee must designate, subject to Franchisor's approval, one (1) of Franchisee's Owners who is a natural person to be Franchisee's "**Managing Owner**." Franchisee agrees that Franchisee's Managing Owner will be authorized, on Franchisee's behalf, to deal with Franchisor in all matters that arise in respect of this Agreement and that such person shall be vested with decision-making authority. Franchisor will be entitled to rely on the decision of the Managing Owner without being obligated to seek approvals of Franchisee's remaining Owners.

8.1.2 Medical Director. Franchisee is required, at all times, and subject to Franchisor's approval, to have a relationship with a licensed healthcare professional (the "**Medical Director**"), who is licensed to practice medicine in the jurisdiction in which Franchisee's Center is located and can, using his/her independent medical judgment, perform or, where permitted, supervise the sale of certain products and performance of certain services that under the applicable laws must only be provided by appropriately qualified and licensed persons (collectively, "**Regulated Services**"). Before Franchisee commences the operation of Franchisee's Center, Franchisee must (i) enter into a management agreement in the form that is acceptable to Franchisor (the "**Management Agreement**") with a third-party vendor that is approved or designed by Franchisor and that is licensed to provide certain regulated services in the jurisdiction of Franchisee's Center (the "**Provider**"), and (ii) designate one (1) of Provider's licensed healthcare professionals as Franchisee's Medical Director. Under the Management Agreement, Franchisee will provide non-medical administrative support services to the Provider and the Medical Director and collect fees from the Provider for providing such services. Franchisor makes no representation or warranty that Franchisor's approval of the Management Services Agreement complies with applicable laws, including those governing corporate practice of medicine. Franchisee is responsible for independently engaging Franchisee's own legal counsel to review, negotiate, and advise Franchisee of the merits and risks of Franchisee's Management Services Agreement. The final version of the Management Services Agreement Franchisee intends to sign and any subsequent modifications to this Agreement are subject, in all cases, to Franchisor's prior written approval. Franchisee must provide Franchisor with an executed version of Franchisee's Management Services Agreement within ten (10) days of its execution.

8.1.3 Nurse Practitioner. Franchisee must, at all times, retain and designate, subject to Franchisor's approval, a licensed and registered nurse practitioner ("**Nurse Practitioner**") to administer and supervise the administration of certain Regulated Services that a nurse practitioner is permitted under applicable law to administer and supervise.

8.1.4 Aesthetic Registered Nurse. Franchisee must, at all times, retain and designate, subject to Franchisor's approval, a licensed and registered nurse ("**Aesthetic RN**") to administer and supervise the administration of certain Regulated Services that a registered nurse is permitted under applicable law to administer and supervise.

8.1.5 General Manager. Franchisee must, at all times, retain and designate, subject to Franchisor's approval, a natural person who is not one of Franchisee's Owners to manage and oversee the day-to-day non-medical operations of Franchisee's Center (the "**General Manager**").

Franchisee agrees not to change or replace Franchisee's Managing Owner, Provider, Medical Director, Nurse Practitioner, Aesthetic RN, or General Manager without Franchisor's prior written consent and must promptly notify Franchisor in writing if any of them cannot continue or no longer qualify to serve as such. If Franchisee's General Manager, Nurse Practitioner, or Aesthetic RN has not signed a Guaranty, he/she must sign Franchisor's then-current form of confidentiality agreement; however, Franchisee is responsible for ensuring that the forms of agreement Franchisee used comply with all applicable laws.

8.2 **Condition & Appearance of Franchisee's Center.** Franchisee agrees to place or display at the Premises (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that Franchisor periodically approve. Franchisee further agrees to maintain the condition and appearance of Franchisee's Center, its Operating Assets, and the Premises in accordance with the System Standards and, consistent with the image of Next Health Centers, as an efficiently operated business offering high quality products and services and observing the highest cleanliness and efficient, courteous service. Franchisee agrees, without limitation and at Franchisee's expense, to: (i) clean, repaint, redecorate, repair, and maintain the interior and exterior of the Premises at intervals that Franchisor prescribes; (ii) maintain, repair or, at Franchisor's discretion, replace damaged, worn-out, or obsolete Operating Assets at intervals that Franchisor may prescribe (or, if Franchisor does not prescribe an interval for replacing any Operating Asset, as that Operating Asset needs to be repaired or replaced); (iii) maintain, repair or, at Franchisee's Medical Director's discretion, replace damaged, worn-out, or obsolete clinical equipment and supplies at intervals that Franchisee's Medical Director may prescribe (or, if Franchisee's Medical Director does not prescribe an interval for replacing any clinical equipment and supplies, as such clinical equipment and supplies need to be repaired or replaced) and (iv) renovate, refurbish, remodel, or replace the real and personal property and equipment used at Franchisee's Center when reasonably required by Franchisor.

8.3 **Use of Designated Computer System.** In connection with the management of Franchisee's Center, Franchisee agrees to obtain and use only that integrated computer hardware and software that Franchisor periodically specifies from time to time in the Operations Manual and that complies with applicable laws in respect of any Personal Information (the "**Computer System**"). Franchisee also agrees to maintain a functioning e-mail address and all specified points of high-speed internet connection. Franchisor may modify specifications for, and components of, the Computer System, which might require Franchisee to acquire new or modified computer hardware or software and obtain service and support for the Computer System. Although Franchisor cannot estimate the future costs of the Computer System or required service or support, and although these costs might not be fully amortizable over this Agreement's remaining Term, Franchisee agrees to incur the costs of complying with Franchisor's requirements for the Computer System. Franchisor has no obligation to reimburse Franchisee for any Computer System costs. Franchisee must at all times during the Term ensure that Franchisee's Computer System, as modified, meets Franchisor's System Standards and functions properly. Subject to compliance with all applicable laws, Franchisor will, at all times, have access to certain information on Franchisee's Computer System and that Franchisor will have the right to collect and retain from the Computer System any and all data concerning Franchisee's Center.

Franchisee may be required to license, and sign a software license agreement regarding, certain proprietary software as part of Franchisor's requirements for the Computer System.

Franchisee must pay Franchisor a monthly Technology Fee (the "**Technology Fee**") in the amount described in Appendix I. The first payment for Technology Fee is due one (1) month prior to the Opening Date of the Center. Franchisor may upon notice to Franchisee modify the amount of the Technology Fee, as further described in Appendix I.

In addition to the Technology Fee, Franchisor may also require that Franchisee pay Franchisor for software and other technology that Franchisee receives from designated third (3^{rd}) party providers through Franchisor. Franchisee will have sole and complete responsibility for the manner in which Franchisee's Computer System interfaces~~,~~ with Franchisor's and any third (3^{rd}) party's computer system. Additionally, Franchisee is responsible for any and all proper access maintenance and all needed periodic upgrades.

8.4 **Products & Services Franchisee's Center Offers.** All Regulated Services will be offered, provided and/or supervised as required under the applicable laws by the Provider through the Medical Director in accordance with the Medical Director's independent medical judgement. Franchisee's Medical Director will make all decisions with respect to any and all medical practices performed at the Location.

If Franchisor permits Franchisee's Medical Director to offer and provide off-site nursing care services within the Nursing Care Area described in Appendix I, then Franchisee will provide such non-medical administrative service to Franchisee's Medical Director as may be required by Franchisee's Medical Director to provide such care. Franchisor may at any time, and without compensation to Franchisee, revoke Franchisor's authorization to provide off-site nursing care services or modify or reduce the Nursing Care Area.

Franchisee agrees that: (i) Franchisee will offer and sell from Franchisee's Center all non-medical products and services in the manner that Franchisor periodically specifies; (ii) Franchisee will not offer or sell at or from Franchisee's Center, the Premises or any other location any products or services Franchisor has not authorized, including any Regulated Services; (iii) Franchisee's Medical Director will offer, provide, and supervise all Regulated Services at Franchisee's Center and make all determinations in respect thereof in accordance with its independent medical judgment; (iv) all services offered and provided by Franchisee's Nurse Practitioner and Aesthetic RN will, all times, be provided under the supervision of Franchisee's Medical Director; (v) Franchisee will not either directly or indirectly supervise, control, or interfere with the provision of Regulated Services; and (vi) Franchisee will discontinue selling and offering for sale any products or services that Franchisor at any time disapprove. Franchisee must immediately bring Franchisee's Center into compliance with Franchisor's System Standards as they relate to operation of Franchisee's Center.

8.5 **Approved Vendors.** Subject to applicable laws, Franchisee agrees to use the manufacturers, vendors, distributors, suppliers, and producers (collectively referred to herein as "**Vendor**" or "**Vendors**") that Franchisor specify or approve for all aspects of development and operation of Franchisee's Center for which such Vendors provide goods or services, which may include or be limited to Franchisor or Franchisor's Affiliates.

Franchisor also reserves the right to periodically approve or designate the terms and distribution methods for any goods or services. Franchisor may, at Franchisor's option, arrange with designated Vendors to collect or have Franchisor's Affiliates collect fees and expenses associated with products and services they provide to Franchisee and, in turn, pay the Vendor on Franchisee's behalf for such products or services. If Franchisor elects to do so, Franchisee agrees that Franchisor or Franchisor's Affiliates may auto-debit Franchisee's bank account for such amounts in the same manner and using the same authorization that Franchisee grants Franchisor with respect to payment of Royalty and other fees, as designated in Appendix III of this Agreement. Franchisor or any of Franchisor's Affiliates may be a Vendor, or otherwise party to these transactions, and may derive revenue or profit from such transactions. Franchisor and any of Franchisor's Affiliates may use such revenue or profit without restriction.

If Franchisee would like Franchisor to consider approving a Vendor that is not then approved by Franchisor, Franchisee must submit a written request before purchasing any items or services from that vendor.

Franchisor is not required to respond to Franchisee's request for approving alternate Vendors; however, Franchisor will endeavor to respond to Franchisee's requests within ninety (90) days of Franchisor's receipt of all information and materials required by Franchisor in connection with Franchisee's request. Any actions Franchisor takes in response to Franchisee's request will be at Franchisor's sole and unfettered discretion, and Franchisor may require Franchisee to pay an alternate product or vendor fee (the "**Alternate Product or Vendor Evaluation Fee**") in the amount described in Appendix I, and reimburse the cost incurred by Franchisor in evaluating Franchisee's proposed Vendor or product. Franchisor may, with or without cause, revoke Franchisor's approval of any Vendor at any time.

Notwithstanding anything to the contrary and to the extent required by applicable laws, Franchisee's purchase of goods and services related to provision of Regulated Services will be subject to Franchisee's compliance with standards and specifications of the Provider and the Medical Director.

8.6 **Compliance with Laws & Good Business Practices.** Franchisee must secure and maintain in force throughout the Term all required licenses, permits and certificates relating to the business Franchisee operates under this Agreement and the operation of Franchisee's Center. Franchisee must ensure that the business Franchisee operates under this Agreement and Franchisee's Center operates in full compliance with all applicable laws, ordinances, and regulations, including the HIPAA (if applicable), and PCI compliance standards. Franchisee agrees to comply with, and assist Franchisor and Franchisor's Affiliates in Franchisor's and Franchisor's Affiliates' compliance efforts with, any and all laws, regulations, executive orders (whether at the federal, state or local level), including those related to HIPAA (if applicable), anti-terrorist activities, the U.S. Patriot Act, Executive Orders or otherwise relating to anti-terrorist activities or conduct of transactions involving certain foreign parties, including the U.S. Patriot Act, Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the International Economic Emergency Powers Act, and related U.S. Treasury or other regulations. In connection with such compliance efforts, Franchisee agrees not to enter into any prohibited transactions and to properly perform any currency reporting and other activities relating to Franchisee's Center as may be required by Franchisor or by law. Franchisee confirms that Franchisee and Franchisee's Owners, employees, agents, and representatives are not presently listed (nor has any such individual previously been listed) on the U.S. Treasury Department's List of Specially Designated Nationals, the Annex to Executive Order 13224 (the Annex is currently available at http://www.treasury.gov), or in any other governmental list which prohibits Franchisor or Franchisee from dealing with such individuals, and agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at http://www.treasury.gov).

If Franchisee is or becomes subject to HIPAA, Franchisee will comply therewith and with the requirements of the Business Associate Agreement attached in Exhibit G hereto, as it may be amended by Franchisor from time to time.

Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such laws, orders or regulations, and specifically acknowledge and agree that Franchisee's indemnification responsibilities as provided in Section 17.3 pertain to Franchisee's obligations hereunder.

Franchisor does not make, and has not made, any representations of any kind whatsoever regarding whether this Agreement complies with any laws governing Regulated Services, or the various legal doctrines commonly referred to as the "corporate practice of medicine ('**CPOM**')"; any federal or state law, rule or regulation governing Medicare or Medicaid, including state and federal laws regulating the relationships between providers and suppliers of health care products and services on one hand and physicians and other providers and suppliers of health care products and services on the other hand; the Fraud and Abuse provisions of the Medicare and Medicaid Statutes; state and federal laws governing self-referral by physicians; fee splitting, patient brokerage prohibitions; anti-kickback prohibitions; or any other law, rule or regulation related to the field of medicine or public health. Franchisee must review and remain in compliance with the various state and federal laws and regulations governing Regulated Services and the structure of entities involved with those fields. Franchisee further acknowledges that Franchisee may be prohibited by applicable law from billing or accepting any form of insurance, including Medicare, Medicaid or private insurance, for any or all of the services Franchisee provide to Franchisee's clients. Franchisee understands and agrees that this limitation may restrict the clients to whom Franchisee is able to market or provide services. Accordingly, Franchisee understands and agrees that it is solely Franchisee's responsibility to identify and consult with competent healthcare counsel for the state(s) in which Franchisee plans to open Franchisee's Center. By executing this Agreement, Franchisee represents that Franchisee has either (i) consulted with such counsel, or (ii) declined the opportunity to do so.

Franchisee agrees to comply with Franchisor's website privacy policy, as it may be amended periodically, pertaining to any Online Presence or use or access to any System Website (as defined in Section 11.4 below); Franchisee further agrees to comply with any requests to return or delete consumer personal information, whether requested by Franchisor or directly by the consumer, as required by applicable data sharing and privacy laws.

Franchisee and Franchisee's Center must in all dealings with its clients, vendors, Franchisor and the public adhere to the highest honesty, integrity, fair dealing and ethical conduct. Franchisee agrees to refrain from any business or advertising practice that might injure Franchisor's business, any Next Health Center, or the goodwill associated with the Marks. Franchisee must notify Franchisor in writing within three (3) business days of: (i) the commencement of any action, suit or proceeding relating to Franchisee's Center; (ii) the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality relating to Franchisee's Center; (iii) any notice of violation of any law, ordinance or regulation relating to Franchisee's Center; (iv) receipt of any notice of complaint from the Better Business Bureau, any local, state or federal consumer affairs department or division, or any other government or independent third (3rd) party involving a complaint from a client or potential client relating to Franchisee's Center; (v) written complaints from any client or potential client, and (vi) any and all other notices Franchisee receives claiming that Franchisee (or any of Franchisee's Affiliates or representatives) has violated or breached any intellectual property rights, or the terms and conditions of any agreements related to the operation of Franchisee's Center. Franchisee must immediately provide to Franchisor copies of any documentation Franchisee receives about any of the foregoing events and resolve the matter in a prompt and reasonable manner in accordance with good business practices.

8.7 **Insurance.** During the Term Franchisee must, at Franchisee's expense, maintain in force comprehensive business owners' coverage (including contents insurance, loss of business income, employee dishonesty, money coverage, and comprehensive general liability) hired/non owned auto liability, umbrella coverage, building coverage, auto liability coverage, malpractice coverage, and errors and omission coverage, all containing the minimum liability coverage Franchisor prescribes from time to time. Franchisee also must maintain workers' compensation insurance for Franchisee's employees in accordance with laws applicable in the state in which Franchisee's Center is operated. Franchisor may periodically change the amounts of coverage required under these insurance policies or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or liability, higher damage awards or other relevant changes in circumstances. All insurance policies for liability coverage must name Franchisor and any Affiliates Franchisor designate as additional named insureds, as "Grantor of the Franchise", using a form of endorsement that Franchisor has approved, and provide for thirty (30) days' prior written notice to Franchisor of a policy's material modification, cancellation or expiration. Franchisee routinely must furnish Franchisor copies of a Certificate of Insurance ("**COI**") or other evidence of Franchisee's maintaining this insurance coverage and paying premiums. If Franchisee fails or refuses to obtain and maintain the insurance Franchisor specify, in addition to Franchisor's other remedies, Franchisor may (but need not) obtain such insurance for Franchisee and Franchisee's Center on Franchisee's behalf, in which event Franchisee shall cooperate with Franchisor and reimburse Franchisor for all premiums, costs and expenses Franchisor incurs in obtaining and maintaining the insurance. Franchisee's obligation to maintain insurance coverage will not be limited in any respect by reason of insurance maintained by Franchisor or any other party. Additionally, no insurance coverage that Franchisee or any other party maintains will be deemed a substitute for Franchisee's indemnification obligations to Franchisor or Affiliates under Section 16.3 or otherwise.

Franchisor's insurance requirements represent only the minimum coverage that Franchisor deems acceptable to protect Franchisor's interests and are not representations or warranties of any kind that such coverage is sufficient to protect Franchisee's or Franchisee's Center's interests. It is Franchisee's sole responsibility to make that determination and to acquire any additional coverages Franchisee believes are necessary to protect Franchisee's and Franchisee's Center's interests, based on Franchisee's own independent investigation. Franchisor is not responsible if Franchisee sustains losses that exceed Franchisee's insurance coverage under any circumstances.

8.8 **Pricing.** Unless prohibited by applicable laws, Franchisor may periodically set a maximum or minimum price that Franchisee may charge for non-medical products and services offered by Franchisee's Center. If Franchisor imposes such a maximum or minimum price, Franchisee may charge any price for the product or service up to and including Franchisor's designated maximum price or down to and including Franchisor's designated minimum price. The designated maximum and minimum prices for the same product or service may, at Franchisor's option, be the same. For any product or service for which Franchisor does not impose a maximum or minimum price, Franchisor may require Franchisee to comply with an advertising policy adopted by Franchisor which will prohibit Franchisee from advertising any price for a product or service that is different than Franchisor's suggested retail price. Although Franchisee must comply with any advertising policy Franchisor adopts, Franchisee will not be prohibited from selling any product or service at a price above or below the suggested retail price.

8.9 **Contact Information & Listings.** Franchisee agrees that each telephone or facsimile number, directory listing, and any other type of contact information used by or that identifies or is associated with Franchisee's Center (any "**Contact Identifiers**") will be used solely to identify Franchisee's Center in accordance with this Agreement. Franchisee acknowledges and agrees that, as between Franchisor and Franchisee, Franchisor has the sole rights to, and interest in, all Contact Identifiers and also all Online Presences. Franchisee hereby authorizes Franchisor and irrevocably appoint Franchisor or Franchisor's designee as Franchisee's attorney-in-fact to direct the telephone company, postal service, registrar, Internet service provider and all listing agencies to transfer such Contact Identifiers to Franchisor.

8.10 **Compliance with System Standards.** Franchisee agrees that at all times Franchisee's Center will operate and be maintained by Franchisee in compliance with each and every System Standard, as Franchisor may periodically modify and supplement them. Though Franchisor retains the right to establish and periodically modify System Standards, Franchisee retains the right and sole responsibility for the day-to-day management and the implementation and maintenance of System Standards at Franchisee's Center. Franchisor's System Standards do not, and will not be deemed to, constitute practice of medicine or Franchisor exerting control over delivery or supervision of Regulated Services; however, they may regulate all non-medical aspects of the operation of Franchisee's Center, including any one or more of the following:

8.10.1 staffing levels for Franchisee's Center as it relates to provision of non-medical goods and services at Franchisee's Center, non-medical training, dress, and appearance (although employee selection and promotion, hours worked, rates of pay and other benefits, work assigned and working conditions are Franchisee's sole responsibility);

8.10.2 use and display of the Marks;

8.10.3 the point-of-sale system used at Franchisee's Centers and methods of payment that Franchisee's Center may accept from customers for services other than Regulated Services;

8.10.4 participation in market research and product and service testing programs;

8.10.5 participation in gift card, loyalty, and similar programs;

8.10.6 non-medical products and services offered at the Next Health Centers;

8.10.7 bookkeeping, accounting, non-medical data processing, and record keeping systems and forms (including the requirement to use Franchisor's standard chart accounts and accounting periods); formats, content and frequency of reports to Franchisor of sales, revenue, and financial performance and condition;

8.10.8 sales, marketing, advertising and promotional programs and materials and media used in connection with Franchisee's Center;

8.10.9 participation in quality assurance and client satisfaction programs;

8.10.10 types, amounts, terms and conditions of insurance coverage required for Franchisee's Center, including criteria for Franchisee's insurance carriers; and

8.10.11 any other non-medical aspects of maintaining Franchisee's Center that Franchisor determines to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks and Next Health Centers.

Franchisor's modification of System Standards, which may accommodate regional or local variations, may obligate Franchisee to invest additional capital in Franchisee's Center and incur higher operating costs. Franchisor will give reasonable notice to Franchisee if Franchisor modify the System Standards. Subject to applicable laws and at Franchisor's discretion, Franchisor may require certain modifications to the System Standards on a regional or local basis. These modifications do not need to be implemented throughout the System, and in certain situations, could only affect Franchisee's Center, and could include requiring temporary closure. Franchisor will determine the scope and duration of such modifications.

8.11 Information Security. Franchisee may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric data, government-issued identification numbers and credit report information ("**Personal Information**"). Through Franchisee's Medical Director, Franchisee may have access to certain health information of customers of the Center that may be protected under HIPAA or other applicable laws. Franchisee agrees to not use, process, copy, display, publish, store, or transfer the Personal Information of any customer without its prior written consent in compliance with the applicable laws.

During and after the Term, Franchisee (and Franchisee's Owners) agree to, and to cause Franchisee's respective current and former employees, representatives, Affiliates, successors and assigns to: (a) process, retain, use, collect, and disclose all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Online Presence; (b) assist Franchisor and Franchisor's Affiliates in complying with all Franchisor's and their obligations under all applicable laws and regulations relating to Personal Information, including the guidance and codes of practice issued by industry or regulatory agencies; and (c) promptly notify Franchisor of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately of the breach or unauthorized access and specify the extent to which Personal Information was compromised or disclosed, and Franchisee's plans to correct and prevent any further breach or unauthorized access. Franchisee must also promptly notify Franchisor if Franchisee receives any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or Franchisee's compliance with Franchisee's obligations relating to Personal Information under this Agreement, and/or if Franchisee has any reason to believe Franchisee will not be able to satisfy any of Franchisee's obligations relating to Personal Information under this Agreement. Franchisee will allow Franchisor, in Franchisor's discretion, to participate in any response or corrective action.

Notwithstanding anything to the contrary in this Agreement or otherwise, Franchisee agrees that Franchisor does not control or own any of the following Personal Information (collectively, the "**Restricted Information**"): (a) any Personal Information of the employees, officers, contractors, owners or other personnel of Franchisee, Franchisee's Affiliates, or Franchisee's Center; and (b) such other Personal Information as Franchisor from time to time expressly designate as Restricted Information. Regardless of any guidance Franchisor may provide generally and/or any specifications that Franchisor may establish for other Personal Information, Franchisee has sole and exclusive responsibility for all Restricted Information, including establishing protections and safeguards for such Restricted Information; provided, that in each case Franchisee agrees to comply with all applicable laws, regulations, orders, and the guidance and codes issued by industry or regulatory agencies applicable to such Restricted Information.

9. MARKETING

9.1 <u>Grand Opening Advertising.</u> Franchisee must, at Franchisee's expense and on the dates, Franchisor designates before and after Franchisee's Center opens, conduct presale marketing and grand opening marketing for Franchisee's Center (collectively, "**Grand Opening**") in compliance with the requirements set forth in the Operations Manual and the applicable laws. The amount Franchisee will be required to spend on Franchisee's Grand Opening will depend on various factors, but Franchisor will not require Franchisee to spend more than Fifty thousand and 00/100 Dollars ($50,000.00). The amount Franchisee spends on Grand Opening will not count towards Franchisee's other required marketing expenditures under this Section 9 or the Marketing Expenditure Cap (defined below).

9.2 <u>Brand Promotion Fund.</u> Franchisee agrees to contribute to a fund Franchisor establishes to promote the awareness of the Next Health brand and Next Health Centers generally (the "**Brand Fund**"). Franchisee's contribution will be in amounts Franchisor periodically specifies and will be payable in the same manner as the Royalty. Currently, the required Brand Fund contribution is the amount shown on Appendix I; however, Franchisor has the right, at any time and on notice to Franchisee, to change the amount Franchisee must contribute to the Brand Fund subject to the Marketing Expenditure Cap defined in Section 9.3 below.

Franchisor and Franchisor's Affiliates will have exclusive control over all programs and services administered by the Brand Fund, with sole discretion over the creative concepts, materials, and campaigns and their geographic market, media placement and allocation. The Brand Fund may pay for preparing and producing video, audio, and written materials and electronic, virtual, or digital media; developing, implementing, and maintaining any Online Presences or other software or applications; administering advertising and marketing campaigns; administering regional and multi-regional marketing and advertising programs; using advertising, promotion, and marketing agencies and other advisors to provide assistance; supporting public relations, market research, and other advertising, promotion, and marketing strategy or implementation activities; and/or any other expenditures that are directly or indirectly related to promoting the Marks, Next Health brand, and/or Next Health Centers. Franchisor may also use the Brand Fund to pay for the Brand Fund's other administrative and overhead costs, including the reasonable salaries and benefits of personnel who manage and administer the Brand Fund, and any other expenses that Franchisor or Franchisor's Affiliates incur that are related to administering or directing the Brand Fund and its programs. Franchisor may modify Brand Fund programs, services, or expenditures at any time in Franchisor's sole discretion.

Franchisor will account for the Brand Fund separately from Franchisor's other funds. However, the Brand Fund is not a trust, and neither Franchisor nor any of Franchisor's Affiliates has any fiduciary obligation to Franchisee or any other person for administering the Brand Fund or for any other reason. The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor will prepare an annual, unaudited statement of Brand Fund collections and expenses and give Franchisee the statement upon written request. Franchisor may have the Brand Fund audited annually, at the Brand Fund's expense, by an independent certified public accountant. Franchisor may incorporate the Brand

Fund or operate it through a separate entity whenever Franchisor deems appropriate. The successor entity will have all the rights and duties specified in this Section 9.

Franchisor intends for the Brand Fund to promote the applicable Marks, the Next Health franchise system, Next Health Centers, and the Next Health brand generally. As such, Franchisee acknowledges and agrees that there is no guarantee that Franchisee or Franchisee's Center will benefit from Brand Fund expenditures directly or in proportion to Franchisee's Brand Fund contribution. Franchisee further acknowledges and agrees that the results of any marketing and promotional programs are by their nature uncertain, and that neither Franchisor nor any of Franchisor's Affiliates or representatives has guaranteed the results of any Brand Fund programs, services, or expenditures in any manner.

Franchisor has the right, but no obligation, to use collection agents and institute legal proceedings to collect Brand Fund contributions at the Brand Fund's expense. Franchisor also may forgive, waive, settle, and compromise all claims by or against the Brand Fund. Except as expressly provided in this Section 9, Franchisor assumes no direct or indirect liability or obligation to Franchisee for collecting amounts due to, maintaining, directing, or administering the Brand Fund.

Franchisor may upon notice to Franchisee suspend the Brand Fund's operations or terminate (and, if terminated, reinstate) the Brand Fund. If Franchisor terminates the Brand Fund, Franchisor will, at Franchisor's option, either spend all unspent monies in accordance with this Section 9 until such amounts are exhausted or distribute the funds in the Brand Fund to Next Health franchisees on a pro rata basis. Franchisor may elect to maintain multiple Brand Funds or the administration thereof, whether determined by geographic region, country, or otherwise, or consolidate or merge multiple Brand Funds or the administration thereof, in each case provided that each such Brand Fund will otherwise remain subject to this Section.

9.3 Local Marketing Expenditures. In addition to Franchisee's obligations under Section 9.1 above and beginning after Franchisee completes Franchisee's Grand Opening advertising pursuant to Section 9.1, each month, Franchisee must spend, at a minimum, the amount specified in Appendix I on local advertising and related activities in connection with the promotion and marketing of Franchisee's Center (the "**Local Marketing Expenditure**"). The current Local Marketing Expenditure is specified on Appendix I. Franchisor has the right, at any time and on notice to Franchisee, to change the amount of Franchisee's Local Marketing Expenditure; provided, however, Franchisor agrees that Franchisor cannot require that Franchisee's Brand Fund Contribution and Local Marketing Expenditure, in the aggregate, exceed five percent (5%) of Franchisee's Center's Gross Sales (the "**Marketing Expenditure Cap**"). Franchisee must list and advertise Franchisee's Center with the online directories Franchisor periodically prescribes and establish any other Online Presence Franchisor requires or authorizes, each in accordance with Franchisor's System Standards. Within thirty (30) days after the end of each calendar quarter, Franchisee agrees to send Franchisor, in the manner Franchisor prescribes, an accounting of Franchisee's expenditures required under this Section during the preceding calendar quarter.

Franchisee must obtain (i) Franchisor's written approval of all advertising and marketing materials that Franchisee intends to use in connection with Franchisee's Center, and (ii) written approval of its Provider and Medical Director for all information regarding Regulated Services that is included in the advertising and marketing materials of Franchisee's Center. All such materials must be completely clear, factual, ethical, not misleading, and must conform to Franchisor's marketing and advertising policies that Franchisor periodically prescribes and applicable laws. All advertising and marketing materials that Franchisee intends to use in connection with Franchisee's Center must clearly state that all Regulated Services are provided and/or supervised, as required under applicable laws, by licensed healthcare professionals. Franchisee must submit to Franchisor, for Franchisor's approval, samples of marketing materials that Franchisee intends to use at least ten (10) days prior to Franchisee's proposed use. If Franchisee does not receive Franchisor's written approval of the materials within ten (10) days of Franchisee's submission, they are deemed to be not approved. Franchisor may, in Franchisor's discretion, withdraw Franchisor's approval if a regulatory or other issue arises that, in Franchisor's opinion, makes such withdrawal in Franchisor's or the System's best interests. Franchisor's approval of any advertising and marketing material is entirely for Franchisor's own benefit and may not be relied upon as representations, warranties, or indications of any kind, including compliance of such materials with applicable laws.

Franchisor reserves the right, at any time, to issue Franchisee a notice that the amounts required to be spent by Franchisee under this Section 9.3 shall, instead, be paid to Franchisor or Franchisor's designee. If Franchisor exercises this option, Franchisor will then spend such amounts, in accordance with local marketing guidelines and programs that Franchisor periodically develop, to advertise and promote Franchisee's Center on Franchisee's behalf. Franchisor may instead, in Franchisor's discretion, contribute any such amounts to the Brand Fund. Franchisor may also elect, on one or more occasions and without prejudice to Franchisor's rights to issue further notices, to temporarily or permanently cease conducting such marketing activities on Franchisee's behalf and, instead, to require Franchisee to conduct such marketing activities on Franchisee's behalf in accordance with this Section 9.3.

9.4 **<u>System Websites & Online Presences.</u>** Franchisor may establish, develop and update Online Presences to advertise, market, and promote Next Health Centers, the products and services that they offer and sell, or the Next Health Center franchise opportunity (each a "**System Website**"). Franchisor may, but is not obligated to, provide Franchisee with a webpage or other Online Presence that references Franchisee's Center on any System Website. If Franchisor elects to offer this service, then Franchisee must use the System Website as follows: (i) provide Franchisor the information and materials Franchisor requests to develop, update, and modify the information about Franchisee's Center; (ii) notify Franchisor whenever any information about Franchisee's Center is not accurate; and (iii) pay Franchisor's then current initial fee and monthly maintenance fee for the Online Presences that are dedicated to Franchisee's Center. Franchisee acknowledges that Franchisor has final approval rights over all information on any System Website.

If Franchisee defaults under this Agreement, Franchisor may, in addition to Franchisor's other remedies, temporarily remove references to Franchisee's Center from any System Website until Franchisee fully cures the default. All advertising, marketing, and promotional materials that Franchisee develops for Franchisee's Center must contain notices of the System Website's domain name in the manner Franchisor designates.

Franchisee may not, without Franchisor's prior written consent, develop, maintain or authorize any Online Presence that mentions Franchisee's Center, links to any System Website, or displays any of the Marks. Franchisee may not, directly or indirectly, through any Online Presence, promote, advertise or sell any products or services without Franchisor's prior written approval. If Franchisor approves the use of any such Online Presence in Franchisee's Center's operations, Franchisee will develop and maintain such Online Presence only in accordance with Franchisor's guidelines, including Franchisor's guidelines for posting any messages or commentary on other third (3^{rd}) party websites. Unless Franchisor specifies otherwise, Franchisor will own the rights to each such Online Presence. At Franchisor's request, Franchisee agrees to grant Franchisor access to each such Online Presence, and to take whatever action (including signing an assignment or other documents) Franchisor requests to evidence Franchisor's ownership of such Online Presence, or to help Franchisor obtain exclusive rights in such Online Presence. If Franchisor allows Franchisee to maintain an Online Presence for Franchisee's Center, Franchisee must prepare and link a privacy policy to such Online Presence, which must comply with all applicable laws, the System Standards, and other terms and conditions that Franchisor may prescribe in writing.

Franchisor reserves the right to require Franchisee to obtain from Franchisor and use an email address associated with Franchisor's registered domain name. If Franchisor requires Franchisee to obtain and use such an email address, Franchisee must do so according to Franchisor's then-current terms and conditions and System Standards. Franchisee acknowledges and agrees that Franchisor will, subject to the applicable laws, have access to all such email accounts, and all documents, data, materials, and messages shared from or by such accounts. Franchisor may deactivate any such account or limit Franchisee's or Franchisee's users' access to it at any time.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES (WHETHER EXPRESS, IMPLIED OR STATUTORY) RELATED TO THE AVAILABILITY AND PERFORMANCE OF A SYSTEM WEBSITE AND FRANCHISEE'S CENTER'S PAGE, INCLUDING ANY IMPLIED WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, FRANCHISOR SHALL NOT BE LIABLE FOR ANY DIRECT OR INDIRECT DAMAGES (INCLUDING ANY CONSEQUENTIAL, PUNITIVE OR INCIDENTAL DAMAGES OR DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS) RELATED TO THE USE, OPERATION, AVAILABILITY OR FAILURE OF THE SYSTEM WEBSITE OR FRANCHISEE'S CENTER'S PAGE.

10. RECORDS, REPORTS, & FINANCIAL STATEMENTS

Franchisee must establish and maintain, at Franchisee's own expense, a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats Franchisor periodically prescribes, including using Franchisor's standard chart of accounts. Subject to applicable laws, Franchisee must provide Franchisor with such reports and information Franchisor requests from time to time, regarding the performance of Franchisee's Center. These requests may include, among other things, operational data, financial statements showing Franchisee's net worth and operating results, copies of Franchisee's income and sales tax returns, information on the status of any loans for which Franchisee's Center is used as collateral, and current financial information for Franchisee's Owners and guarantors sufficient to demonstrate their ability to satisfy their obligations under their individual Guarantees. Franchisee agrees to provide this information in the frequency, manner and format Franchisor periodically prescribes. Subject to applicable law, Franchisor may disclose data derived from these reports, and Franchisor may, as often as Franchisor deems appropriate (including on a daily basis), access the Computer System and retrieve all information relating to the operation of Franchisee's Center. Franchisee agrees to preserve and maintain all records in a secure location at Franchisee's Center for at least three (3) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers) or such time frame as required by law for records retention.

11. INSPECTIONS & AUDITS

11.1 <u>Franchisor's Right to Inspect Franchisee's Center.</u> To determine whether Franchisee is complying with this Agreement and System Standards, Franchisor (or Franchisor's designee) may be subject to applicable laws and without prior notice to Franchisee: (i) inspect and photograph, capture moving images, and observe Franchisee's Center and its operations for consecutive or intermittent periods Franchisor deems necessary (except as prohibited by law); (ii) remove samples of any products and supplies; (iii) interview Franchisee's personnel and clients (except as prohibited by law); (iv) inspect Franchisee's Computer System and its components (except as prohibited by law); and (v) inspect and copy any books, records, and documents relating to the operation of Franchisee's Center. Franchisee agrees to fully cooperate with Franchisor during any inspection. If Franchisor exercises any of these rights, Franchisor will not interfere unreasonably with the operation of Franchisee's Center. Franchisee agrees to present to Franchisee's clients the evaluation forms that Franchisor may prescribe and to participate in and request Franchisee's clients to participate in any surveys performed by or for Franchisor. Franchisor may also engage third (3^{rd}) parties to conduct mystery shopper, customer survey or other market research testing, and quality assurance inspections at Franchisee's Center. Franchisee agrees to reimburse Franchisor for the cost of any mystery shoppers that Franchisor engages to inspect Franchisee's Center from time to time.

11.2 <u>Franchisor's Right to Audit.</u> Franchisor and Franchisor's designated agents or representatives may at any time during Franchisee's business hours, and without prior notice to Franchisee, examine the bookkeeping and accounting records for Franchisee's Center, the sales and income tax records and returns, and such other records Franchisor deems necessary to determine Franchisee's compliance with this Agreement. Franchisee agrees to cooperate fully with Franchisor and Franchisor's representatives and independent accountants in any examination, and Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact to receive and inspect Franchisee's confidential sales and other tax records and hereby authorizes all tax authorities to provide such information to Franchisor for all tax periods during the Term. If any examination discloses an understatement of the Gross Sales, Franchisee agrees to pay Franchisor, within fifteen (15) days after receiving the examination report, the Royalty and Brand Fund Contributions due on the amount of the understatement, plus Franchisor's service charges and interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to Franchisee's failure to timely furnish reports, supporting records, or other information as required, or if Franchisor's examination reveals a Royalty or Brand Fund Contribution understatement exceeding two percent (2%) of the amount that Franchisee actually reported to Franchisor for the period examined, Franchisee agrees to reimburse Franchisor for the costs of the examination, including the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of Franchisor's employees. These remedies are in addition to Franchisor's other remedies and rights under this Agreement and applicable law.

12. TRANSFER

12.1 **By Franchisor.** Franchisor has the right to delegate the performance of any portion or all of Franchisor's rights and obligations under this Agreement to third (3rd) party designees, whether these designees are Franchisor's agents or independent contractors with whom Franchisor has contracted to perform these obligations. Franchisee acknowledges that the Franchisor maintains a staff to manage and operate the System, and that the staff members can change as employees come and go. Franchisee represents that Franchisee has not signed this Agreement in reliance on any particular manager, owner, director, officer, or employee remaining with Franchisor in any capacity. Franchisor may change Franchisor's ownership or form of ownership structure or assign this Agreement and any other agreement to a third (3rd) party without restriction.

12.2 **By Franchisee or Franchisee's Owners.** Franchisee's rights and duties under this Agreement are personal to Franchisee (or Franchisee's Owners if Franchisee is not a natural person), and Franchisor has granted Franchisee the Franchise in reliance upon Franchisee's (or Franchisee's Owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, neither Franchisee nor any of Franchisee's Owners, nor any of Franchisee's or their permitted successors or assigns, shall sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber any direct or indirect interest in this Agreement (including any or all of Franchisee's rights or obligations under it), Franchisee's Center or its assets (other than in the ordinary course of business), Franchisee's right to possession of the Premises, or any direct or indirect ownership interest in Franchisee (regardless of its size) (each, a "**Transfer**"), without Franchisor's prior written consent. Any Transfer without Franchisor's prior written approval is a material breach of this Agreement and has no effect.

If Franchisee intends to list Franchisee's Center for sale with any broker or agent, Franchisee shall do so only after obtaining Franchisor's written approval of the broker or agent and of the listing agreement and any advertising materials. Franchisee may not use any Mark in advertising the sale of Franchisee's Center or of any ownership in Franchisee without Franchisor's prior written consent.

12.3 **Conditions for Approval of Transfer.** Franchisor may reject or condition Franchisor's approval of a proposed Transfer in Franchisor's reasonable discretion. Franchisee agrees that the following is a non-exclusive list of reasonable factors and conditions that Franchisor may and are likely to consider:

12.3.1 whether the Center has opened for business;

12.3.2 whether Franchisee (and Franchisee's Owners) is in compliance with this Agreement;

12.3.3 whether the proposed transferee and its owners (if the transferee is not a natural person) are qualified to own and operate Franchisee's Center;

12.3.4 whether Franchisee has provided Franchisor with all information and documents Franchisor requests regarding the Transfer and the proposed transferee and its owners or Affiliates;

12.3.5 whether the structure of the Transfer, including any associated debt, places the Center at undue financial or operational risk;

12.3.6 whether, if Franchisee or Franchisee's Owners offers the transferee financing for any part of the purchase price, Franchisee and Franchisee's Owners are willing to agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in Franchisee's Center will be subordinate to the transferee's obligation to pay amounts it owes to Franchisor, Franchisor's Affiliates, and third (3rd) party vendors and otherwise to comply with this Agreement (or any applicable franchise agreement replacing this Agreement);

12.3.7 whether the transferee is willing to upgrade, remodel and/or refurbish Franchisee's Center in accordance with Franchisor's then-current System Standards;

12.3.8 Franchisee's (and Franchisee's Owners') and, if the transferee or its owners are franchisees of other Next Health Centers, their willingness to sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's shareholders, officers, directors, employees and agents;

12.3.9 Franchisee's (and Franchisee's transferring Owners' and Franchisee's or their immediate family members) willingness to agree, commencing on the effective date of the Transfer, to comply with the post-termination obligations and restrictive covenants under this Agreement regarding confidentiality and non-competition;

12.3.10 whether all persons required to complete training under the transferee's Franchise Agreement has satisfactorily completed Franchisor's training program, and transferee has paid all costs and expenses Franchisor incurs to provide the training program to such persons;

12.3.11 whether all notices or approvals relating to the proposed Transfer (including any landlord notices or consents) have been given or obtained, as required, with copies provided to Franchisor;

12.3.12 whether, at Franchisor's request, the transferee signs Franchisor's then-current form of franchise agreement and related documents for the balance of the Term, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

12.3.13 Franchisee's payment to Franchisor of a Transfer fee in the amount listed in Appendix I; and

12.3.14 Franchisor's receipt of fully executed copies of all agreements by which the Transfer takes place along with evidence Franchisor reasonably requests to show that appropriate measures have been taken to effect the Transfer as it relates to Franchisee's Center's operations, including, by transferring all necessary and appropriate business licenses, insurance policies, and material agreements, or obtaining new business licenses, insurance policies and material agreements.

12.4 **Death or Disability.** Transfers by inheritance are Transfers under Section 12.2 above. On Franchisee's or Franchisee's Owner's death or disability (as applicable), Franchisor may require Franchisee or Franchisee's Owner's executor, administrator, conservator, guardian or other personal representative to Transfer Franchisee's interest in this Agreement (or Franchisee's Owner's interest in Franchisee) to a third (3rd) party Franchisor approves. Such disposition must be completed within six (6) months from the date of death or disability and will be subject to all of the terms and conditions applicable to Transfers contained in Sections 12.2 and 12.3 above. Failure to Transfer Franchisee's interest in this Agreement or the ownership interest in Franchisee within this period of time constitutes a breach of this Agreement. For purposes of this Section, "**disability**" means a permanent mental or physical disability, impairment or condition that is reasonably expected to prevent or actually does prevent Franchisee or an Owner from operating Franchisee's Center in accordance with this Agreement, as diagnosed and determined by a physician licensed to operate where Franchisee is headquartered.

If any of the foregoing in this Section 12.4 occurs, and Franchisee's Center is not being managed by a trained Managing Owner, the executor, administrator, or other personal representative must, within a reasonable period of time, not to exceed fifteen (15) days from the date of death or disability, appoint a qualified manager to operate Franchisee's Center. If it has not already done so, such Managing Owner will be required to complete Franchisor's initial training program at Franchisee's expense. Pending the appointment of a new Managing Owner as provided herein, or if, in Franchisor's judgment, Franchisee's Center is not being managed properly any time after Franchisee's death or disability, Franchisor has the right, but not the obligation, to appoint an interim manager for Franchisee's Center. All funds from the operation of Franchisee's Center during the management by Franchisor's appointed manager will be kept in a separate account, and all expenses of Franchisee's Center, including compensation, other costs and travel and living expenses of Franchisor's manager, will be charged to this account. Franchisor also has the right to charge a reasonable management fee (in addition to amounts payable under this Agreement) during the period that Franchisor's appointed manager manages Franchisee's Center. Operation of Franchisee's Center during any such period will be on Franchisee's behalf, provided that Franchisor only has a duty to utilize Franchisor's best efforts and will not be liable to Franchisee or Franchisee's Owners for any debts, losses or obligations incurred by Franchisee's Center or to any of Franchisee's creditors for any products, materials, supplies or services Franchisee's Center purchases during any period it is managed by Franchisor's appointed manager.

12.5 Effect of Consent to Transfer. Franchisor's consent to a Transfer is not a representation of the fairness of the terms of any contract between Franchisee or Franchisee's Owners and the transferee, a guarantee of Franchisee's Center's or transferee's prospects of success, or a waiver of any claims Franchisor has against Franchisee (or Franchisee's Owners) or of Franchisor's right to demand full compliance by Franchisee and the transferee with this Agreement.

12.6 Public or Private Offering. Because any written information used to raise or secure funds can reflect upon Franchisor and the System, Franchisee agrees to submit any written information intended to be used for that purpose to Franchisor before inclusion in any registration statement, prospectus or similar offering memorandum. Should Franchisor object to any reference to Franchisor or Franchisor's Affiliates or any of Franchisor's business in the offering literature or prospectus, the literature or prospectus shall not be used until Franchisor's objections are withdrawn or any area of concern is addressed to Franchisor's satisfaction. Franchisee may not engage in a public offering of securities without Franchisor's prior written consent and approval.

12.7 Franchisor's Right of First (1st) Refusal. If Franchisee (or any of Franchisee's Owners) desires to engage in a Transfer, Franchisee (or Franchisee's Owners) agrees to obtain from a responsible and fully disclosed buyer, and submit to Franchisor, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating solely to an interest in Franchisee, or in this Agreement, and Franchisee's Center. The offer must include details of the payment terms for the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the entire proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. Franchisor may require Franchisee (or Franchisee's Owners) to send Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within thirty (30) days after Franchisor receives an exact copy of the bona fide offer and all relevant information Franchisor requests, Franchisor may, by written notice to Franchisee, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. Franchisor may substitute for cash any non-cash form of payment proposed in the offer. If Franchisor exercises Franchisor's right of first (1^{st})

refusal, Franchisor will have thirty (30) days from the date Franchisor notified Franchisee of Franchisor's intended purchase to complete the purchase. Franchisee and Franchisee's Owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and Franchisee and Franchisee's selling owner(s) (and Franchisee's and their immediate family members) must comply with the obligations described in Section 15 below, including those regarding Competitive Businesses as described in Section 15.1.7, as though this Agreement had expired on the date of the purchase. Franchisor has the unrestricted right to assign this right of first (1st) refusal, and the assignee will have the rights described in this Section 12.7.

If Franchisor does not exercise Franchisor's right of first (1st) refusal, Franchisee or Franchisee's Owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor otherwise approves the Transfer in accordance with, and Franchisee (and Franchisee's Owners) and the transferee comply with the conditions in, Sections 12.2 and 12.3 above. If Franchisee does not complete the sale to the proposed buyer within sixty (60) days after either Franchisor notifies Franchisee that Franchisor does not intend to exercise Franchisor's right of first (1st) refusal or the time Franchisor's exercise expires, or if there is a material change in the terms of the sale (which Franchisee agrees to tell Franchisor promptly), Franchisor or Franchisor's designee will have an additional right of first (1st) refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's or Franchisor's designee's option.

13. SUCCESSOR FRANCHISE AGREEMENT

13.1 <u>Franchisee's Right to Acquire a Successor Franchise.</u> Subject to this Article 13, Franchisee may acquire one (1) consecutive successor Franchise of ten (10) years. If Franchisee desires to acquire a successor Franchise, then each of the following conditions must be met before and/or at the time of acquisition (as appropriate):

13.1.1 Franchisee must have given Franchisor written notice of Franchisee's election to acquire a successor Franchise not less than one hundred and eighty (180) days nor more than three hundred and sixty-five (365) days before the end of the Term;

13.1.2 Franchisee must have taken, at Franchisee's expense, all steps identified by Franchisor to bring Franchisee's Center into full compliance with the then-current System Standards;

13.1.3 Franchisee must be, and must have been throughout the Term, operating in compliance with Franchisee's obligations under this Agreement, and during that same period, Franchisee and Franchisee's Affiliates must have been in compliance with Franchisee's or their obligations under any other agreements with Franchisor;

13.1.4 Franchisee must present satisfactory evidence that Franchisee has the right to remain in possession of the Premises for the operation of Franchisee's Center for the duration of the successor term;

13.1.5 Franchisee must present satisfactory evidence that Franchisee has renewed Franchisee's Management Agreement with a Provider that is approved or designated by Franchisor for the duration of the successor term on such terms that are acceptable to Franchisor;

13.1.6 Franchisee and Franchisee's owners must execute Franchisor's then-current form of franchise agreement, which will supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement, including a higher royalty fee and Brand Fund Contribution or expenditure requirement (Franchisee will not, however, be required to pay to

Franchisor an initial franchise fee, but Franchisee or it must pay a successor franchise fee as outlined in Appendix I

13.1.7 Franchisee and Franchisee's Owners must have executed and delivered to Franchisor a general release (in a form prescribed by Franchisor) of all claims against Franchisor and Franchisor's Affiliates, and each of Franchisor's respective officers, directors, shareholders, partners, agents, representatives, independent contractors, servants and employees, in their corporate and individual capacities, including claims arising under this Agreement or under federal, state or local laws, rules, regulations or orders; and

13.1.8 Franchisor is then granting Franchises for Next Health Centers in the state in which Franchisee's Center is located.

13.2 **<u>Grant of a Successor Franchise.</u>** Franchisor will respond, in writing, within ninety (90) days after Franchisor receives Franchisee's notice under Section 13.1.1 with Franchisor's decision to grant Franchisee a successor franchise and listing any deficiencies that must be corrected or to not grant a successor franchise with reasons for Franchisor's decision. If Franchisor's decision is to grant Franchisee a successor franchise, Franchisor's willingness to do so will also be subject to Franchisee's continued compliance with all of the terms and conditions of this Agreement through the date of expiration of this Agreement. Failure to sign such agreements and releases necessary for the successor franchise and to deliver them to Franchisor, along with payment of the applicable fee, for acceptance and signature within the earlier of sixty (60) days after their delivery to Franchisee or the expiration of the Term will be deemed an election not to acquire a successor franchise.

14. TERMINATION OF AGREEMENT

14.1 **<u>By Franchisee.</u>** Franchisee may terminate this Agreement upon thirty (30) days' notice to Franchisor, if (i) Franchisee and Franchisee's Owners are in full compliance with this Agreement, the Management Agreement, and any other agreement with Franchisor or Franchisor's Affiliates; and (ii) Franchisor fails to materially comply with this Agreement or Franchisor's Affiliate fails to comply with its obligations under the Management Agreement, and such breach is not cured within thirty (30) days of receipt of a written notice from Franchisee, or if such breach cannot be cured within thirty (30) days and Franchisor or Franchisor's Affiliate do not provide Franchisee within thirty (30) days after Franchisee's notice reasonable evidence of Franchisor's or their effort to correct the failure within a reasonable time. Franchisee's termination of this Agreement other than according to this Section 14.1 will be deemed a termination without cause and a breach of this Agreement.

14.2 **<u>By Franchisor. Without Opportunity to Cure.</u>** Franchisor may terminate this Agreement, effective on delivery of written notice to Franchisee, if:

14.2.1 Franchisee (or any of Franchisee's Owners) has made any material misrepresentations or omissions in the Application Materials or other information provided to Franchisor in acquiring the Franchise or operating Franchisee's Center;

14.2.2 Franchisee fails to attend and complete training within sixty (60) days of the execution of this Agreement;

14.2.3 Franchisee does not sign a Lease for an acceptable site for the Premises or open Franchisee's Center within the time periods specified under Section 2;

14.2.4 Franchisee (i) closes Franchisee's Center for business or informs Franchisor of Franchisee's intention to cease operation of Franchisee's Center, (ii) fails to actively operate Franchisee's Center for three (3) or more consecutive days, or (iii) otherwise abandons or appears to have abandoned Franchisee's rights under this Agreement;

14.2.5 Franchisee (or any of Franchisee's Owners) is or has been convicted by a trial court of, or pleads or has pleaded no contest or guilty to, a felony;

14.2.6 Franchisee (or any of Franchisee's Owners) engages in any conduct which, in Franchisor's reasonable opinion, adversely affects or is likely to have an adverse effect on the reputation of Franchisee's Center, other Next Health Centers, the System, or the goodwill associated with the Marks;

14.2.7 Franchisee (or any of Franchisee's Owners) makes or attempts to make a Transfer without complying with the requirements of Section 12;

14.2.8 Franchisee loses the right to occupy the Premises;

14.2.9 Franchisee (or any of Franchisee's Owners) makes any unauthorized use or disclosure of any Confidential Information;

14.2.10 Franchisee fails to pay when due any federal or state taxes due on or in connection with the operation of Franchisee's Center, unless Franchisee is in good faith contesting Franchisee's liability for those taxes;

14.2.11 Franchisee understates the Gross Sales three (3) times or more during the Term;

14.2.12 Franchisee (or any of Franchisee's Owners) (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any provision of this Agreement or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in either case, whether or not Franchisor notifies Franchisee of the failures, and, if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee;

14.2.13 Franchisee (or any of Franchisee's Owners) files a petition in bankruptcy or a petition in bankruptcy is filed against Franchisee; Franchisee makes an assignment for the benefit of creditors or admits in writing to insolvency or inability to pay debts generally as they become due; Franchisee consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of Franchisee's property; Franchisee's Center is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of Franchisee or Franchisee's Center is not vacated within thirty (30) days following the order's entry;

14.2.14 Franchisee (or any of Franchisee's Owners) fails to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

14.2.15 Franchisee creates or allows to exist any condition in connection with Franchisee's operation of Franchisee's Center, at any location, which Franchisor reasonably determines to present a health or safety concern for the Next Health's clients or employees;

14.2.16 if at any time after Franchisee's Center commences operations, Franchisee does not have a valid Management Agreement in place with a Provider approved or designated by Franchisor;

14.2.17 Franchisee fails to comply with any provision of the Management Agreement and does not correct the failure within the applicable cure period (if any);

14.2.18 if at any time after Franchisee's Center commences operations, Franchisee fails to designate one (1) of the Provider's licensed health care professionals that is acceptable to Franchisor as Franchisee's Medical Director; or

14.2.19 Franchisee or Franchisee's Affiliate fails to comply with any other agreement with Franchisor or Franchisor's Affiliate and does not correct such failure within the applicable cure period, if any.

14.3 **Following an Opportunity to Cure.** Franchisor may terminate this Agreement, effective on delivery of written notice to Franchisee, if:

14.3.1 Franchisor determines any Required Trainees are not capable or qualified to satisfactorily complete the Initial Training Program, and Franchisee does not replace them with persons who are able to, and do, successfully complete the Initial Training Program within twenty-one (21) days following Franchisor's written notice to Franchisee;

14.3.2 Franchisee violates any law, ordinance, rule or regulation of a governmental agency in connection with the operation of Franchisee's Center and fail to correct such violation within seventy-two (72) hours after Franchisee receives notice from Franchisor or any other party;

14.3.3 Franchisee fails to pay Franchisor or Franchisor's Affiliates any amounts due and does not correct the failure within five (5) days after written notice of that failure has been delivered or fails to comply with any obligation owed to any third party in connection with Franchisee's ownership or operation of Franchisee's Center and does not correct such failure within any cure periods permitted by such third-party;

14.3.4 Franchisee's Center fails to pass a quality assurance audit, and do not cure such failure within fifteen (15) days after Franchisor delivers written notice of the failure to Franchisee; or

14.3.5 Franchisee (or any of Franchisee's Owners) fails to comply with any other provision of this Agreement or any System Standard and does not correct the failure within thirty (30) days after Franchisor delivers written notice of the failure to Franchisee.

14.4 **Assumption of Management.** In addition to, and not in derogation of, any other rights Franchisor has under this Agreement or applicable law, if (a) Franchisee is in default of Franchisee's obligations under this Agreement or (b) following expiration or termination of this Agreement, while Franchisor is considering the assumption of ownership of the location, Franchisor may, at Franchisor's election, Franchisor is considering whether to exercise of Franchisor's rights to purchase Franchisee's Center under Section 15.2 below (and pending closing of such purchase if Franchisor exercises such rights), then Franchisor may, at Franchisor's election, either directly or through Franchisor's designee, enter upon and take possession of Franchisee's Center, for a period not to exceed one hundred, eighty (180) days, and thereafter take, in Franchisee's name, all other actions necessary to effect the provisions of this Agreement. Franchisee agrees that any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor will not be liable in any manner to Franchisee for so doing. If Franchisor exercises Franchisor's right to assume the management of Franchisee's Center under clause (a) of this Section 14.4, Franchisee shall pay the entire cost thereof to Franchisor on demand, including compensation to Franchisor for the management of Franchisee's Center in the amount of ten percent (10%) of Franchisee's Gross Sales, which amount will be separate from any fees or other amounts owed to Franchisor under this Agreement; however, if Franchisor exercises Franchisor's right under clause (b) of this Section 14.4, all revenue and expenses arising from the operation of Franchisee's Center for the period during which Franchisor operates Franchisee's Center will be deemed to be Franchisor's revenue and expenses, and Franchisee will not be entitled to any such revenue or liable for the expenses of operating the Center during such period. If Franchisor exercises Franchisor's rights under this Section, then Franchisor may, but is not required to, use Franchisee's employees or designate Franchisor's own personnel to manage and operate Franchisee's Center.

During the period in which Franchisor or Franchisor's designee operates Franchisee's Center under this Section, Franchisee will cooperate with Franchisor and Franchisor's designees to support the operation of Franchisee's Center in compliance with all the System Standards, including making available any and all books, records, and accounts. Franchisee agrees that Franchisor or Franchisor's designee will have the sole right to collect all revenue, in whatever form, from the operation of the Center and to use such revenue to pay expenses associated with the operation of Franchisee's Center (including payment of any fees and other amounts owed to Franchisor and Franchisor's Affiliates), and will be accounted for separately from Franchisor's other revenue and expenses.

Franchisee agrees that Franchisor or Franchisor's designee needs to exercise only a reasonable degree of care in operating Franchisee's Center and are under no duty to take extraordinary measures or, in any way, fund the operations to ensure Franchisee's Center's success or continued operations during or after such period. Franchisee agrees that Franchisee will continue to bear sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations under Franchisee's Center's Lease and all obligations to Franchisee's vendors and employees and contractors, unless and until Franchisor expressly assumes them in connection with the purchase of Franchisee's Center under Section 15.2 below. Franchisor may elect to cease such interim operations of Franchisee's Center at any time on notice to Franchisee. Franchisor will not be liable to Franchisee or Franchisee's owners for any debts, losses, or obligations Franchisee's Center incurs, or to any of Franchisee's creditors.

Franchisor's decision to operate Franchisee's Center on an interim basis will not affect Franchisor's right to terminate this Agreement under Section 14.2 above. Franchisee's indemnification obligations set forth under Section 16.3 will continue to apply during any period that Franchisor or Franchisor's designee operate Franchisee's Center.

Franchisor may freely assign any part of Franchisor's rights under this Section to a third (3rd) party.

15. RIGHTS & OBLIGATIONS ON TERMINATION OR EXPIRATION.

15.1 Franchisee's Obligations. On expiration or termination of this Agreement, Franchisee and, as applicable, Franchisee's Owners, and all such other persons or entities who are bound under the terms of this Agreement must immediately do the following:

15.1.1 pay Franchisor and Franchisor's Affiliates all amounts which are then owed and unpaid;

15.1.2 unless permitted under other franchise agreements with Franchisor, cease:

15.1.3 operating Franchisee's Center or selling any products and services previously offered by Franchisee's Center unless Franchisor directs Franchisee otherwise in connection with Franchisor's exercise of Franchisor's option to purchase pursuant to Section 15.2 below;

15.1.4 using, for any purpose, any Confidential Information or Marks or any colorable imitation of a Mark;

15.1.5 identifying Franchisee or Franchisee's business as having or having had any relationship with Franchisor or Next Health Centers,

15.1.6 using any Contact Identifiers or Online Presence, and, at Franchisor's direction, either disable such Contact Identifiers or Online Presence or transfer exclusive control and access of such Contact Identifiers or Online Presence to Franchisor or Franchisor's designee;

15.1.7 interfering or attempting to interfere with Franchisor's or Franchisor's Affiliates' relationships with any vendors, franchisees or consultants or engaging in any other activity which might injure the goodwill of the Marks or the System;

15.1.8 take all action necessary to cancel or assign all fictitious or assumed name or equivalent registrations relating to Franchisee's use of any Mark;

15.1.9 return to Franchisor or, at Franchisor's direction, destroy all items, forms and materials containing any Confidential Information or Mark;

15.1.10 if Franchisor does not exercise Franchisor's option to purchase Franchisee's Center under Section 15.2 below, make the alterations Franchisor specifies to distinguish the Premises clearly from its former appearance and from other Next Health Centers, including by removing all materials bearing the Marks and removing from both the interior and exterior of the Premises all materials and components of Franchisor's trade dress as Franchisor determines to be necessary in order to prevent public confusion and in order to comply with the non-competition provisions set forth in paragraph 15.1.7 below;

15.1.11 comply with all other System Standards and applicable laws in connection with the closure and de-identification of Franchisee's Center, including as it relates to disposing of Personal Information, in any form, in Franchisee's possession or the possession of any of Franchisee's employees; and

15.1.12 subject to the applicable laws, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 15.1.7 begin to comply with their obligations hereunder, whichever is later, neither Franchisee nor any of Franchisee's Owners, General Manager, and Franchisee's and their immediate family members will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business located or operating (i) at the Premises, (ii) within a ten (10) mile radius of the Premises; or (iii) within a ten (10) mile radius of any other Next Health Center in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 15.1.7 begin to comply with such obligations.

Within ten (10) days after the expiration or termination of this Agreement, Franchisee must give Franchisor evidence satisfactory to Franchisor of Franchisee's compliance with these obligations. If Franchisee fails to take any of the actions or refrain from taking any of the actions described above, Franchisor may take whatever action and sign whatever documents Franchisor deems appropriate on Franchisee's behalf to cure the deficiencies, including, without liability to Franchisee or third (3rd) parties for trespass or any other claim, to enter the Premises and remove any signs or other materials containing any Marks from Franchisee's Center. Franchisee must reimburse Franchisor for all costs and expenses Franchisor incurs in correcting any such deficiencies. If any person restricted by Section 15.1.7 above refuses voluntarily to comply with those obligations, the two (2) year period for that person will commence with the entry of a court order enforcing that provision. Franchisee and Franchisee's Owners expressly acknowledges that Franchisee possesses skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor's enforcing the covenants made in this Section 15.1.7 will not deprive Franchisee of Franchisee's personal goodwill or ability to earn a living.

15.2 <u>Franchisor's Right to Purchase Franchisee's Center.</u> In addition to any other rights to purchase Franchisor has under this Agreement, Franchisor has the right to purchase Franchisee's Center (the "**Purchase Option**") on the expiration or termination of this Agreement. Franchisor will have thirty (30) days after expiration or termination to exercise the Purchase Option by written notice to Franchisee. Franchisor has the unrestricted right to assign the Purchase Option in Franchisor's discretion. The purchase price for Franchisee's Center will be the net realizable value of the tangible assets in accordance with the liquidation basis of accounting (not the value of Franchisee's Center as a going concern) ("**Liquidation Value**"). If Franchisee disputes Franchisor's calculation of the Liquidation Value, Franchisor will appoint one independent accredited appraiser, within fifteen (15) days after Franchisor receives all relevant financial and other information necessary to calculate the Liquidation Value, who will calculate the Liquidation Value based on the criteria above. Franchisee and Franchisor will share equally the appraiser's fees and expenses. The appraiser must complete its calculation within thirty (30) days after its appointment. The appraiser's calculation of the Liquidation Value will be the purchase price. Closing of the purchase will take place, as described below, on a date Franchisor select which is within ninety (90) days after determination of the Liquidation Value.

Franchisee agrees that, if Franchisor requires that Franchisee continue to operate Franchisee's Center while Franchisor considers exercising Franchisor's Purchase Option or close on the purchase, Franchisee will do so in accordance with this Agreement up to the closing or until Franchisor direct that Franchisee cease doing so. Franchisee agrees to cooperate with Franchisor in conducting due diligence, including providing Franchisor with access to Franchisee's business and financial records, contracts and all other information relevant to Franchisee's Center. At the closing, Franchisor (or Franchisor's assignee) will pay the purchase price in cash. Franchisee agrees to execute and deliver to Franchisor (or Franchisor's assignee):

15.2.1 all customary agreements, in form and substance acceptable to Franchisor and in which Franchisee (i) provides all customary warranties and representations, including as to ownership and condition of and title to assets, no liens and encumbrances on assets, validity of contracts and agreements, and liabilities affecting the assets, contingent or otherwise; (ii) transfers good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and other transfer taxes paid by Franchisee; (iii) and assigns the Lease and all of the licenses and permits for Franchisee's Center which are permitted to be assigned or transferred; and

15.2.2 an agreement, in form and substance satisfactory to Franchisor, voluntarily terminating this Agreement under which Franchisee and Franchisee's Owners release, in form and substance satisfactory to Franchisor, any and all claims Franchisee and Franchisee's Owners have against Franchisor and Franchisor's shareholders, officers, directors, employees, agents, successors, and assigns and agree to comply with all post-term obligations set forth in Section 15.1 above and with all other obligations which, either expressly or by their nature, are intended to survive termination or expiration of this Agreement.

15.3 Lost Revenue Damages. If Franchisor terminates this Agreement because of Franchisee's breach or if Franchisee terminates this Agreement without cause, Franchisee and Franchisor agree that it would be difficult, if not impossible, to determine the amount of damages that Franchisor would suffer due to the loss or interruption of the revenue stream Franchisor otherwise would have derived from Franchisee's continued payment of Royalties through the remainder of the Term. Therefore, Franchisee and Franchisor agree that a reasonable estimate of such damages, less any cost savings Franchisor might have experienced (the "**Lost Revenue Damages**"), is an amount equal to the net present value of the Royalties that would have become due had this Agreement not been terminated, from the date of termination to the earlier of: (1) thirty-six (36) months following the date of termination, or (2) the originally scheduled expiration of the Term (the "**Measurement Period**"). For the purposes of this Section, Lost Revenue Damages shall be calculated as follows: (1) the number of calendar months in the Measurement Period, multiplied by (2) the Royalty fee percentage, multiplied by (3) the highest monthly Gross Sales of Franchisee's Center during the thirty-six (36) full calendar months immediately preceding the termination date (or, if the termination is based on Franchisee's unapproved closure of Franchisee's Center, the thirty-six (36) full calendar months immediately preceding the closure date); provided, that if as of the termination date (or the closure date in light of the foregoing), Franchisee's Center has not been operating for at least thirty-six (36) months, the highest average monthly Gross Sales of all Next Health

Centers operating under the Marks during the thirty-six (36) months immediately preceding the termination date, or closure date, as applicable.

Franchisee agrees to pay Franchisor Lost Revenue Damages, as calculated in accordance with this Section, within fifteen (15) days after this Agreement is terminated, or on any later date that Franchisor determines. Franchisee and Franchisor agree that the calculation described in this Section is a calculation only of the Lost Revenue Damages and that nothing herein shall preclude or limit Franchisor from proving and recovering any other damages caused by Franchisee's breach of this Agreement.

15.4 Continuing Obligations. All provisions of this Agreement and Franchisee's Owners' obligations that expressly or by their nature survive this Agreement's expiration or termination (including all obligations relating to non-disparagement, non-competition, non-interference, confidentiality, Personal Information, and indemnification) will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until all obligations are satisfied in full or by their nature expire.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

16.1 Independent Contractors. This Agreement does not create a fiduciary relationship between Franchisee and Franchisor. Franchisee and Franchisor are and will be independent contractors, and nothing in this Agreement is intended to make either Franchisee or Franchisor a general or special agent, joint venturer, partner, or employee of the other for any purpose. Franchisee agrees to identify Franchisee conspicuously in all dealings with clients, vendors, public officials, Franchisee's personnel, and others as the owner of Franchisee's Center under a franchise Franchisor has granted and to place notices of independent ownership on the business cards, advertising, and other materials Franchisor periodically requires.

Franchisee will have a contractual relationship only with Franchisor and will look only to Franchisor to perform under this Agreement. None of Franchisor's Affiliates is a party to this Agreement and has no obligations under it. However, Franchisee and Franchisor agree that Franchisor's Affiliate who is the owner of the Marks is a third (3^{rd}) party beneficiary of those provisions in this Agreement relating to use of the Marks, with the independent right to enforce such provisions against Franchisee and to seek damages from Franchisee for Franchisee's failure to comply with those provisions.

16.2 No Liability To Or for Acts of Other Party. Franchisor and Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that Franchisor's respective relationship is other than franchisor and franchisee. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the operation of Franchisee's Center or the business Franchisee conducts under this Agreement. Franchisor will have no liability for Franchisee's obligations to pay any third (3^{rd}) parties, including any product vendors. Franchisor will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, or other taxes, whether levied upon Franchisee or Franchisee's Center, due to the business Franchisee conducts (except for Franchisor's income taxes). Franchisee is responsible for paying these taxes and must reimburse Franchisor for any such taxes that Franchisor must pay to any state taxing authority on account of Franchisee's operation or payments that Franchisee make to Franchisor.

16.3 Indemnification. Franchisee agrees to indemnify, defend, and hold Franchisor, Franchisor's Affiliates, and Franchisor's respective owners, directors, managers, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") harmless against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the development, management, or operation of Franchisee's Center, the business Franchisee conducts under this Agreement, or Franchisee's breach of this Agreement or Management Agreement, including those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**Claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Franchisee's expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third (3rd) party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Franchisee under this subparagraph. Franchisee agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Franchisee under this subparagraph.

17. ENFORCEMENT

17.1 <u>Arbitration.</u> All controversies, disputes, or claims between Franchisor or any of Franchisor's Affiliates (and Franchisor's and their respective shareholders, officers, directors, agents, and employees), on the one hand, and Franchisee (and Franchisee's Owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between Franchisee (or any of Franchisee's Owners) and Franchisor (or any of Franchisor's Affiliates); (2) Franchisor's relationship with Franchisee; (3) the scope or validity of this Agreement or any other agreement between Franchisee (or any of Franchisee's Owners) and Franchisor (or any of Franchisor's Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Franchisee acknowledge is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of Franchisor's (or Franchisor's successor's or assign's, as applicable) then-current principal place of business (currently, West Hollywood, CA). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his/her awards any relief which he/she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor or Franchisor's Affiliates generic or otherwise invalid or award any punitive or exemplary damages against any party to the arbitration proceeding (Franchisor and Franchisee hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this Section, and in any action in which a party seeks to enforce compliance with this Section, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

If any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third (3rd) party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to this Agreement to arbitrate contained in this Section.

17.2 Consent to Jurisdiction. Subject to Section 17.1 above and the provisions below, Franchisor and Franchisee agrees that all controversies, disputes, or claims between Franchisor or any of Franchisor's Affiliates (and Franchisor's respective shareholders, officers, directors, agents, and employees), on the one hand, and Franchisee (and Franchisee's owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to this Agreement or any other agreement between Franchisee (or any of Franchisee's owners) and Franchisor (or any of Franchisor's Affiliates) or Franchisor's relationship with Franchisee must be commenced exclusively in state or federal court closest to Franchisor's (or Franchisor's successor's or assign's, as applicable) then-current principal place of business (currently, West Hollywood, CA), and the parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that Franchisor may enforce any arbitration orders and awards in the courts of the state or states in which Franchisee or Franchisee's Center is located.

17.3 Governing Law. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement (or any other agreement between Franchisor (or Franchisor's Affiliates) and Franchisee (or Franchisee's Affiliates)), the Franchise, the Management Agreement, and all claims arising from the relationship between Franchisor (or Franchisee's Affiliates) and Franchisee (or Franchisee's Affiliates) will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section.

17.4 Waiver of Punitive Damages, Class Action Bar, & Jury Trial. Except for Franchisee's obligation to indemnify Franchisor under Section 16.3, Franchisor and Franchisee (and Franchisee's Owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between Franchisor and Franchisee, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

FRANCHISOR AND FRANCHISEE AGREES THAT ALL PROCEEDINGS, WHETHER SUBMITTED TO ARBITRATION UNDER SECTION 17.1 ABOVE OR SUBMITTED TO A COURT, WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT NO PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND FRANCHISEE (OR FRANCHISEE'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED

WITH ANY CLAIM OF AN UNAFFILIATED THIRD (3^{rd}) PARTY, OR (IV) BROUGHT ON FRANCHISEE'S BEHALF BY ANY ASSOCIATION OR AGENT.

FRANCHISOR AND FRANCHISEE IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER FRANCHISOR OR FRANCHISEE.

17.5 **Injunctive Relief.** Nothing in this Agreement, including the provisions of Section 17.1, bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive or other equitable relief against threatened conduct that will cause Franchisor, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. Franchisee agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Franchisee agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against Franchisee will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

17.6 **Costs & Attorneys' Fees.** The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

17.7 **Limitations of Claims.** Except for claims arising from Franchisee's non-payment or underpayment of amounts Franchisee owes Franchisor or Franchisor's Affiliates, any and all claims arising out of or relating to this Agreement (or any other agreement between Franchisor and Franchisor's Affiliates, and Franchisee and Franchisee's Affiliates), the Franchise, and all claims arising from the relationship between Franchisor and Franchisee will be barred unless a judicial or arbitration proceeding is commenced in accordance with this Agreement within one (1) year from the date on which the party asserting the claim knew or should have known of the facts giving rise to the claims.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the expressed terms of this Agreement.

18. MISCELLANEOUS

18.1 **Binding Effect.** This Agreement is binding on each of Franchisor and Franchisor's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to Franchisor's right to modify the Operations Manual and System Standards, this Agreement may only be modified by a written agreement signed by each of Franchisor.

18.2 **Rights of Parties are Cumulative.** Franchisor's and Franchisee's rights under this Agreement are cumulative, and Franchisor's or Franchisee's exercise or enforcement of any right or remedy under this Agreement will not preclude Franchisor's or Franchisee's exercise or enforcement of any other right or remedy which Franchisor or Franchisee are entitled by law to enforce.

18.3 **Severability & Substitution of Valid Provisions.** Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, Franchisee and Franchisor agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of Franchisor's refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

18.4 Waiver of Obligations. Franchisor and Franchisee may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights Franchisor or Franchisee has, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

Franchisor and Franchisee will not be deemed to have waived or impaired any right, power, or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; Franchisor's or Franchisee's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any System Standard; Franchisor's waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other Next Health Centers; the existence of franchise agreements for other Next Health Centers which contain provisions different from those contained in this Agreement; or Franchisor's acceptance of any payments due from Franchisee after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement, or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, which then will have no effect.

18.5 The Exercise of Franchisor's Judgment. Franchisor has the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant Franchisee a right to take or withhold an action, or to provide or withhold approval or consent, Franchisor may, except as otherwise specifically provided in this Agreement, make Franchisor's decision or exercise Franchisor's rights in Franchisor's sole and unfettered discretion.

18.6 Construction. The preambles and exhibits are a part of this Agreement, which together with Appendix I, constitute Franchisor's and Franchisee's entire agreement, and there are no other oral or written understandings or agreements between Franchisor and Franchisee, or oral or written representations by Franchisor, relating to the subject matter of this Agreement, the franchise relationship, or Franchisee's Center (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Any policies that Franchisor periodically adopts and implements to guide Franchisor in Franchisor's decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor. Except as provided in Section 17.3, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold Franchisor's approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee make or to withhold Franchisor's approval of any of Franchisee's proposed, initiated, or completed actions that require Franchisor's approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to the "**Agreement**" mean this Agreement and Appendix I, together. The term "**Affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Franchisee or Franchisor. "**Control**" means the power to direct or cause the direction of management and policies. "**Including**" means "including, without limitation."

If two (2) or more persons are at any time the owners of the Franchise and Franchisee's Center, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "**Owner**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Franchisee (or a transferee of this Agreement and Franchisee's Center or an ownership interest in Franchisee), including any person who has a direct or indirect interest in Franchisee (or a transferee), this Agreement, the Franchise, or Franchisee's Center and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to a "controlling interest" means the percent of the voting shares or other voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. "**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days. The term "**Center**" includes all of the assets of the Next Health Center Franchisee operates under this Agreement, including its revenue and the Lease.

The following provision applies if Franchisee or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: 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.

18.7 Notices & Payments. All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (i) at the time delivered by hand, (ii) at the time delivered via computer transmission and, in the case of the Royalty, Brand Fund Contributions, and other amounts due, at the time Franchisor actually receives electronic payment, or (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Any notice must be sent to Franchisee at the mailing address or email address shown in Appendix I and to Franchisor at the address shown in the opening paragraph of this Agreement, attention: Legal, or to the most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to Franchisee at the address of the Premises.

18.8 No Recourse Against Non-Party Affiliates. Franchisee agrees that Franchisee will look only to Franchisor to perform under this Agreement. Franchisor's Affiliates are not parties to this Agreement and have no obligations under it. Franchisee may not look to Franchisor's Affiliates for performance. Franchisee agrees that Franchisor and Franchisor's Affiliates' members, managers, owners, directors, officers, employees, and agents shall not be personally liable or named as a party in any action between Franchisor and Franchisor's Affiliates, on the one hand, and Franchisee or Franchisee's Affiliates or Franchisee's/their respective owners, on the other hand.

18.9 Counterparts; Copies. This Agreement may be executed in multiple counterparts which, taken together, shall constitute a single instrument. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

18.10 Safety. Franchisor will not be required to send any of Franchisor's representatives to Franchisee's Center to provide any assistance or services if, in Franchisor's sole determination, it is unsafe to do so. Such determination by Franchisor will not relieve Franchisee from Franchisee's obligations under this Agreement (including to pay monies owed) and will not serve as a basis for Franchisee's termination of this Agreement.

[*Signature page follows*]

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

FRANCHISOR	**FRANCHISEE**
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Name>> <<Position>> of <<TBD>>
	By: <<Name>> <<Position>> of <<TBD>>

APPENDIX I

FRANCHISEE SPECIFIC TERMS

The following includes items that are specific to this Franchise Agreement and will be completed when the Franchise Agreement is provided for signature

FA SECTION	ITEM	DESCRIPTION
Preamble	**Franchise Agreement Effective Date**	
Preamble	**Franchisor** **Type of entity & place of organization** **Franchisor Address**	Next Health Franchising, LLC A Delaware limited liability company 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069
Preamble	**Franchisee** **Type of entity & place of organization** **Franchisee Address**	<<TBD>> dba Next Health <<a/an>> <<State>> <<corporation / limited liability company>> <<Address>>
Recitals	**Ownership of Franchise**	If the franchisee is an Entity (as defined in this Agreement), the following persons constitutes all of the owners of a legal and/or beneficial interest in the franchisee: <<Owner>> <<%>> _______ May Provide Regulated Services <<Address>> <<Type of Ownership>> <<Owner>> <<%>> _______ May Provide Regulated Services <<Address>> <<Type of Ownership>> <<Owner>> <<%>> _______ May Provide Regulated Services <<Address>> <<Type of Ownership>>
Recitals	**Principal Operator**	<<Name>> <<Address>> <<Phone Number>> <<Email>>
Recitals	**Primary Contact**	<<Name>> <<Address>> <<Phone Number>> <<Email>>
Article 1.1	**Territory Description**	In the State of <<State>> The Site Selection Area will be located in the area known as: <<Site Selection Area>>

FA SECTION	ITEM	DESCRIPTION
		excluding any prior existing Franchisees' territories, which will be more specifically defined after lease signing, to encompass a three (3) mile radius, with the following considerations: geographical boundaries, cultural demographics, household income, population count, age, traffic/trip count, daytime population, competition, housing density and permit and zoning regulations. If the Site Selection Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.
Article 1.1	**Location Address**	(TBD)
Article 2.1	**Lease Review Fee**	$1,500
Article 2.3	**Architect & General Contractor Review Fee**	$3,000
Article 2.4	**Architect Design Fee**	$10,000
Article 3.1	**Initial Franchise Fee**	$80,000
Article 3.2	**Royalty Fee**	9% of Gross Sales
Article 3.4	**Relocation Fee**	$15,000
Article 3.5	**Marketing Creative Service Fee**	$75 per hour. Subject to increase upon notice to an amount not exceeding $150 per hour
Article 4.1	**Initial Training Fee** - **Nurse Practitioner** - **Aesthetic RN**	 $5,000 per person $2,500 per person
	Additional, Refresher, or Replacement Training Fee	$5,000 per person. Subject to increase to up to $10,000 per person.
Article 8.1	**Initial Required Personnel**	Title — Name Managing Owner — <<TBD>> Provider — (TBD) Medical Director — (TBD) General Manager — (TBD) Nurse Practitioner — (TBD) Aesthetic RN — (TBD)
Article 8.3	**Technology Fee**	$799 per month. Subject to increase upon notice to an amount not exceeding $1,500 per month.
Article 8.4	**Nursing Care Area**	<<N/A>> or <<Designated Area>>
Article 8.5	**Alternate Product or Vendor Evaluation Fee**	$2,000 per product or Vendor
Article 9.2	**Brand Fund Contribution**	Currently, 1% of Gross Sales
Article 9.3	**Local Marketing Expenditure**	Currently, $5,000 per month
Article 12.3.13	**Transfer Fee**	50% of the then-current Initial Franchise Fee
Article 13.1.6	**Successor Fee**	50% of the then-current Initial Franchise Fee
Article 18.8	**Notices for Franchisee**	All Notices for Franchisee shall be sent to: <<Name>> <<Entity>> <<Address>> <<Email>>

FA SECTION	ITEM	DESCRIPTION
	Additional Provisions	<<Any addendums or changes to this Agreement will be listed here>>

By signing below, Franchisee represents and warrants to Franchisor that the information contained in this Franchisee Specific Terms is true and correct and acceptable to Franchisee. The parties, intending to be legally bound, accept and agree that this Franchisee Specific Terms and the accompanying Franchise Agreement Terms (together, the "**Agreement**") describe their respective rights and obligations, and each agrees to be bound thereto and to perform as set forth therein.

FRANCHISOR

____

By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

FRANCHISEE

____

By: <<Name>>
<<Position>> of
<<TBD>>

____

By: <<Name>>
<<Position>> of
<<TBD>>

APPENDIX II

PAYMENT & PERFORMANCE GUARANTEE

THIS PAYMENT AND PERFORMANCE GUARANTEE is signed by each of the undersigned persons (each a "Guarantor") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (as amended, modified, restated or supplemented from time to time, the "Agreement") on this date by NEXT HEALTH FRANCHISING LLC, a Delaware limited liability company ("Franchisor") each Guarantor personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement and afterward as provided in the Agreement, that ____________________________________ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at Franchisor's request, each Guarantor shall present updated financial information to Franchisor as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Franchisee under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of Guarantor's undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 17 (Enforcement) of the Agreement, including Section 17.1 (Arbitration), Section 17.2 (Consent to Jurisdiction) and Section 17.6 (Costs and Attorneys' Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses Franchisor may incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned non-owner spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Franchisor confirms that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature to this Guaranty.

GUARANTOR(S)	SPOUSE(S)
Name:______________________________ Sign: ____________________________________ Address: _________________________________ ____ ____ Date: ____________________________________	Name:______________________________ Sign: ____________________________________ Address: _________________________________ ____ ____ Date: ____________________________________
Name:______________________________ Sign: ____________________________________ Address: _________________________________ ____ ____ Date: ____________________________________	Name:______________________________ Sign: ____________________________________ Address: _________________________________ ____ ____ Date: ____________________________________

APPENDIX III

NEXT HEALTH PAYMENT AUTHORIZATION FORMS

<<Entity Name>> dba Next Health <<DBA>> authorizes Next Health Franchising, LLC to charge / debit the account specified below for amounts relating to paying fees, charges and any other amounts owed pursuant to the terms of the Franchise Agreement. These debits are related to the operation of the Next Health Center and the amount of each debit will vary from month to month, to a maximum amount (if any) as set forth in the Franchise Agreement.

<table>
<tr><th colspan="2">ACH AUTHORIZATION BANKING INFORMATION
Please fill out all the information below accurately and completely.</th></tr>
<tr><td>Name on Account:</td><td>Contact Person:</td></tr>
<tr><td>Address on Account:</td><td>Title:</td></tr>
<tr><td>Phone Number:</td><td rowspan="5">This is authorization for:
☐ Royalty & Advertising Fees R
☐ Local Advertising Fee R
☐ Initial Franchise Fee
☐ Equipment Package Fee
☐ Training Fees</td></tr>
<tr><td>Bank Name:</td></tr>
<tr><td>Bank Address:</td></tr>
<tr><td>Account Number:</td></tr>
<tr><td>Routing Number:</td></tr>
<tr><td>This account is a: ☐ Personal Account (updated info provided later, once Entity is established)
☐ Entity Business Account</td><td rowspan="2">Account Type:
☐ Checking
☐ Savings</td></tr>
<tr><td>R = Recurring Charges (Monthly or Weekly according to the Franchise Agreement)</td></tr>
</table>

I, <<Principal Operator>>, acknowledge I have the authority to execute this ACH Authorization Form and agree to notify Next Health Franchising, LLC in writing of any changes in account information or termination of this authorization fifteen (15) days prior to the next due date of the charges. In the case of an ACH Transaction being rejected for Non-Sufficient Funds ("**NSF**"), I understand that Next Health Franchising, LLC may at its discretion attempt to process the charge again within thirty (30) days, and agree to an additional One hundred and 00/100 Dollars ($100.00) charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment, as stated in the Franchise Agreement. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I understand that cancellations must be made in writing, and I will not dispute merchant recurring billing with my bank so long as the amount corresponds to the terms indicated in the Franchise Agreement.

This authorization is given and shall begin on this day ______________________________.

____

By: <<Principal Operator>>
<<Title>> of
<<Entity Name>>

NEXT HEALTH

CREDIT CARD AUTHORIZATION FORM

<<Entity Name>> dba Next Health <<DBA>> authorizes Next Health Franchising, LLC to charge / debit the credit card specified below for amounts relating to paying fees, charges and any other amounts owed pursuant to the terms of the Franchise Agreement. These debits are related to the operation of the Next Health Center and the amount of each debit will vary from month to month, to a maximum amount (if any) as set forth in the Franchise Agreement.

CREDIT CARD INFORMATION *Please fill out all the information below accurately and completely.*	
Name on Account:	Contact Person:
Address on Account:	Title:
City, State & Zip: Credit Card Type: Card Number: Expiration Date: CCV Code:	This is authorization for: ☐ Royalty & Advertising Fees ***R*** ☐ Local Advertising Fee ***R*** ☐ Initial Franchise Fee ☐ Real Estate ACD Package Fee
This account is a: ☐ Personal Card (updated info provided later, once Entity is established) ☐ Entity Business Card	
R = Recurring Charges (Monthly or Weekly according to the Franchise Agreement)	

I, <<Principal Operator>>, acknowledge I have the authority to execute this Credit Card Authorization Form and agree to notify Next Health Franchising, LLC in writing of any changes in account information or termination of this authorization fifteen (15) days prior to the next due date of the charges. I acknowledge that I may incur a credit card processing fee of up to eight percent (8%) of the total transaction for each time my card is processed, depending on the card type utilized. I further acknowledge that the origination of credit card transactions to my account must comply with the provisions of U.S. law. I understand that cancellations must be made in writing, and I will not dispute merchant recurring billing with my bank so long as the amount corresponds to the terms indicated in the Franchise Agreement.

This authorization is given and shall begin on this day ____________________________.

____

By: <<Principal Operator>>
<<Title>> of
<<Entity Name>>

APPENDIX IV

SECURITY AGREEMENT

THIS SECURITY AGREEMENT is made and entered into as of the dated specified below (the "**Effective Date**") by and between Next Health Franchising, LLC, a Delaware limited liability company, with its principal place of business at 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 (hereinafter referred to as "**Secured Party**"); and the party listed below ("**Debtor**").

AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Debtor grants to Secured Party a security interest in all Franchise related property, together with all after-acquired property of the same general class and description and the proceeds of all property encumbered hereby (the "**Collateral**").

TO SECURE:

A. Payment of sums owed by Debtor to Secured Party in connection with Debtor's purchase of products and goods from Secured Party;

B. Debtor's obligations to Secured Party under that or those certain Franchise Agreement(s) between Secured party and Debtor;

C Debtor's obligations to Secured Party and its affiliates, under that certain Promissory Note made in favor of Secured Party, if a Promissory Note has been made by Debtor in favor of Secured Party and any obligations under it remain outstanding;

D. Any and all other obligations, indebtedness and liabilities of Debtor to Secured Party, or any subsidiary or affiliate of Secured Party, direct or indirect, absolute or contingent, due or to become due, now existing or hereafter arising; and

E. Performance of each agreement of Debtor contained herein.

DEBTOR WARRANTS & AGREES:

1. Debtor is the owner of the Collateral, free from any adverse lien, security interest or encumbrance, and Debtor will defend against all claims and demands of all persons at any time claiming the same or an interest therein. Collateral is described as, but not limited to, any and all personal property of Debtor, including but not limited to all furniture, fixtures, leasehold improvements, equipment, inventory, goods and supplies, accounts, chattel paper and other tangibles and intangibles and all after-acquired property and proceeds related to any of the foregoing.

2. Except as otherwise provided herein, no Financing Statement covering any of the Collateral or any proceeds thereof is on file in any public office. Debtor hereby authorizes Secured Party to execute, on behalf of both Debtor and Secured Party, one or more Financing Statements, pursuant to the Uniform Commercial Code, in form satisfactory to Secured Party, and to file or record same in all public offices wherever filing or recording is deemed by Secured Party to be necessary or desirable and Debtor agrees to pay the cost of filing or recording the same and/or this Agreement.

3. To do all acts that may be necessary to maintain, preserve and protect the Collateral, not to commit or permit any waste thereof, and to maintain the Collateral in good order, repair and condition, reasonable wear and tear excepted.

4. Except in the ordinary course of business, not to sell, assign, lease, encumber, or otherwise dispose of all or any of the Collateral without the prior written consent of Secured Party.

5. To pay, at least ten (10) days before delinquency, all taxes, assessments and liens now or hereafter imposed on the Collateral, and to provide, maintain in force at all times, and deliver to Secured Party fire and other insurance policies (including all risk, and earthquake insurance) on the Collateral, as Secured Party may, at its discretion, require, in amounts and with companies satisfactory to Secured Party with loss payable to Secured Party.

6. If Debtor fails to make any payment or do any act as herein required, then Secured Party, without obligation to do so and without notice to or demand upon Debtor, may make such payments and do such acts as Secured Party may deem necessary to protect its security interest in the Collateral, Secured Party being hereby authorized (without limiting the general nature of the authority hereinabove conferred) to take possession of the Collateral or any part thereof and to pay, purchase, contest or compromise any security interest, encumbrance, charge or lien which, in the judgment of Secured Party, appears to be prior or superior to or to jeopardize the security interest granted hereby, and in exercising any such powers and authority to incur necessary expenses, including attorneys' fees. Secured Party's determination as to whether or not Debtor has failed to make any payment or do any act as herein required shall be final and conclusive. Debtor hereby agrees to repay immediately and without demand all sums expended by Secured Party pursuant to the provisions of this paragraph with interest from date of expenditure at the rate of ten (10%) percent per annum.

7. Debtor shall be in default under this Agreement upon the happening of any of the following events or conditions:

7.1 Default by Debtor in the payment of the obligations or liabilities secured hereby, or failure by Debtor to perform any agreement herein contained or secured hereby.

7.2 Any warranty, representation or statement, made or furnished to Secured Party by or on behalf of Debtor, proves to have been false in any material respect when made or furnished;

7.3 Substantial uninsured damage, destruction, or danger, in the opinion of Secured Party, of misuse or confiscation of Collateral or the making of any levy, seizure or attachment thereof or therein; or

7.4 Insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceedings under any bankruptcy or insolvency laws by, or against, Debtor.

8. Upon any such default, Secured Party, at its option, without demand upon or notice to Debtor, may declare all indebtednesses, obligations and liabilities secured hereby to be immediately due and payable, and Secured Party shall have all the rights and remedies provided a secured party under the Uniform Commercial Code and may proceed to foreclose the security interest created hereby according to law, and may, at its option, and it is hereby empowered, with or without foreclosure action, to enter upon any premises where the Collateral or any part thereof may be and take possession thereof and remove the Collateral or any part thereof. In addition, Secured Party may require, and Debtor agrees to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will give Debtor reasonable notice of the time and place of any public sale thereof or of the time

after which any private or other intended disposition is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Debtor shown above at least ten (10) days before the time of the sale or disposition. The Collateral may be sold in one or more lots and at one or more sales, which may be held on different days and need not be held within view of the Collateral being sold. Secured Party shall deduct and retain from the proceeds of such sale or sales all costs and expenses paid or incurred in the taking, removal, holding, preparing for sale or sales of the Collateral, including any reasonable attorneys' fees and legal expenses incurred or paid by Secured Party; the balance of the proceeds shall be applied by Secured Party upon the indebtednesses, obligations and liabilities secured hereby, in such order and manner as Secured Party may determine, and the surplus, if any, shall be paid to Debtor or to the person or persons lawfully entitled to receive the same.

8.1 Secured Party, at its option, shall have the right to commence any action or proceeding against a third (3rd) party or appear in or defend any action or proceeding brought by a third (3rd) party purporting to affect the rights, duties or liabilities of the parties hereto, including, without limiting the generality of the foregoing, an action to foreclose the security interest created hereby, and in connection therewith to incur costs, expenses and attorneys' fees in any such action or proceeding in which the Secured Party shall appear, all of which costs, expenses and attorneys' fees will be paid or reimbursed to Secured Party by Debtor together with interest from the date of expenditure at the rate of ten (10%) percent per annum.

8.2 In the event of any default hereunder, Secured Party shall be entitled, without notice and without regard to the adequacy of the Collateral and of any other security for the indebtedness hereby secured, to the appointment of a receiver to take possession of all or any part of the Collateral and to exercise such powers as the Court shall confer upon it/him/her.

8.3 At any public sale or sales made under this Section 8 or authorized herein or by laws, or at any sale or sales made upon judicial foreclosure of this security interest, Secured Party (or its representative) may bid for and purchase any Collateral being sold and, in the event of such purchase, shall hold such property thereafter discharged of all rights of redemption.

9. Secured Party shall be entitled to enforce any indebtedness, obligation or liability secured hereby and to exercise all rights and powers hereby conferred, although some or all of the indebtedness, obligations and liabilities secured hereby are now or shall hereafter be otherwise secured. Debtor's acceptance of this Agreement shall not affect, or prejudice Secured Party's right to realize upon or enforce any other security now or hereafter held by Secured Party, and Secured Party shall be entitled to exercise all rights of setoff to the same effect and in the same manner as if this security interest had not been given.

10. In the event suit is brought to enforce or interpret any part of this Agreement, the prevailing party shall be entitled to recover, as an element of damages, its cost of suit and, not as damages, a reasonable attorneys' fee to be fixed by the Court.

11. The words "**Secured Party**" and "**Debtor**," as used herein, shall be construed to include the heirs, legatees, devisees, administrators, executors, successors and assigns, respectively, of Secured Party and Debtor. This Agreement shall bind and inure to the benefit of such third (3rd) persons. Whenever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa. All references herein to the Uniform Commercial Code ("**UCC**") means the Uniform Commercial Code as adopted by the State in which Secured Party's principal place of business is located. \

DEBTOR HEREBY SPECIFICALLY CERTIFIES THAT IT HAS READ AND FULLY UNDERSTANDS THIS SECURITY AGREEMENT.

SECURED PARTY	**DEBTOR**
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Position>> of <<Entity Name>>
	______________________________
	By: <<Principal Operator>> <<Position>> of <<Entity Name>>

APPENDIX V

TO FRANCHISE AGREEMENT

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

DO NOT SIGN THIS STATEMENT IF YOU OR THE FRANCHISE GRANTED HEREBY ARE SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to NEXT HEALTH FRANCHISING LLC, a Delaware limited liability company ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the development and/or franchise rights ("Franchisee"), (a) fully understands that the purchase of a Next Health Center franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") with which you were provided prior to signing this Agreement in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I acknowledge that I have had the opportunity to personally and carefully review the FDD and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:
I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD? ☐ Yes ☐ No (Initial Here: ____) If you selected "Yes," please describe the information you received on the lines below: ____ ____.	INITIAL:

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;

2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;

3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or

4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any anti-terrorism law.

Sign: _____________________________
Name: ____________________________
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: _____________________________
Name: ____________________________
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: _____________________________
Name: ____________________________
Capacity: Individually, and for and on behalf of
[Franchisee Name]

EXHIBIT C

AREA DEVELOPMENT AGREEMENT

NEXT HEALTH FRANCHISING, LLC
AREA DEVELOPMENT AGREEMENT

DEVELOPER: ______________________________

SITE SELECTION AREA: ______________________________

EFFECTIVE DATE: ______________________________

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Appendices

NEXT HEALTH
AREA DEVELOPMENT AGREEMENT TERMS

THIS AREA DEVELOPMENT AGREEMENT is made and entered into on the date specified on Appendix I (the "**Effective Date**") by and between Next Health Franchising, LLC, a Delaware limited liability company, with its principal place of business at 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 (hereinafter referred to as "**Franchisor**"); and the party listed on Appendix I to this Agreement (hereinafter referred to as "**Area Developer**").

RECITALS

WHEREAS, Franchisor grants franchises for the development, ownership and operation of businesses that are currently identified by the trademark "NEXT HEALTH®" and other related trademarks and service marks (together, with such other trademarks, service marks, trade names, and commercial symbols Franchisor periodically designate, the "**Marks**") and that provide or arrange for the provision of certain wellness, anti-aging, and related products and services (each a "**Next Health Center**"). Next Health Centers are developed and operated using the System. The Next Health system is a unique method for operating a business that provides or arranges for the provision of certain wellness and anti-aging services using certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for Services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**System**").

WHEREAS, based on Area Developer's own investigation and diligence, Area Developer has requested that Franchisor grant Area Developer the right to acquire multiple franchises (each a "**Franchise**") for the development and operation of Next Health Centers (the "**Development Rights**") and, to support Area Developer's request, Area Developer and, as applicable, Area Developer's owners, has provided Franchisor with certain information about Area Developer and its background, experience, skills, financial condition and resources (collectively, the "**Application Materials**"). In reliance on, among other things, the Application Materials, Franchisor is willing to grant Area Developer the Development Rights on the terms and conditions contained in this Agreement. Next Health Centers that Area Developer or Area Developer's Affiliates own pursuant to Franchise Agreements and signed pursuant to this Agreement are referred to as the "**Centers**."

WHEREAS, if Area Developer is a business organization such as a corporation, limited liability company or partnership (a "**Business Entity**"), Area Developer agrees, represents and warrants to Franchisor that: (1) Area Developer was validly formed and is and in each jurisdiction included in the Site Selection Area, Area Developer will maintain, throughout the Term (defined below), Area Developer's existence and good standing under the laws of the state of Area Developer's formation and remains qualified to conduct business in the state in which Area Developer operates Area Developer's Center; (2) in Appendix I accurately reflects information regarding all of Area Developer's owners and their interests in Area Developer as of the Effective Date; (3) each of Area Developer's owners that has direct or indirect ownership interests in Area Developer (each a "**Owner**") will sign and deliver to Franchisor Franchisor's then-standard form of Guaranty and Assumption of Obligations (the "**Guaranty**"); (4) Area Developer will designate, subject to Franchisor's approval, one of Area Developer's Owners who is a natural person and who will have the authority of a chief executive officer who is and will be authorized, on Area Developer's behalf, to deal with Franchisor in all matters that arise in respect of Area Developer's (or Area Developer's approved Affiliates) Centers; (5) the only business that Area Developer will own or operate during the Term will be the activities described in this Agreement and the ownership and operation of any Centers pursuant to franchise agreements with Franchisor; and (6) at Franchisor's request, Area Developer will furnish Franchisor with true and correct copies of all documents regarding Area Developer's formation, existence, standing, and governance. Franchisor's current form of Guaranty is attached hereto as Appendix II. Franchisor confirms that the non-owner a spouse will sign the Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing that agreement merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property).

WHEREAS, Franchisor has granted the Development Rights to Area Developer based, in part, on Area Developer's representations to Franchisor regarding, and Franchisor's assessment of, Area Developer's liquidity as of the Effective Date. Area Developer will ensure that, throughout the Term, Area Developer will maintain sufficient liquidity to meet Area Developer's obligations under this Agreement. Franchisor reserves the right to establish and modify specific liquidity thresholds from time to time, and Area Developer agree to comply with such minimum liquidity requirements that Franchisor reasonably impose.

1. THE DEVELOPMENT RIGHTS

1.1 Grant. Franchisor hereby grants Area Developer the Development Rights, which must be exercised in strict compliance with this Agreement. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of (1) the date on which the last Center which is required to be opened in order to satisfy the Development Schedule shown in Appendix I (the "**Development Schedule**") opens for regular business or (2) the last day of the last Development Period (defined below) (the "**Term**"). Area Developer accepts the grant of the Development Rights and agree to, at all times, faithfully, honestly, and diligently perform Area Developer's obligations under this Agreement and fully exploit the Development Rights during the Term and throughout the entire Site Selection Area identified in Appendix I (the "**Site Selection Area**"). Area Developer must perform all of Area Developer's obligations under this Agreement, and Area Developer may not subcontract or delegate any of those obligations to any third (3rd) parties.

1.2 Site Selection Area & Reservation of Rights. The Development Rights may only be exercised with respect to Next Health Centers to be located in the Site Selection Area. As long as Area Developer is in compliance with this Agreement and except as described below, Franchisor will not operate, or grant a license to a third (3rd) party to operate, during the Term, to operate a Next Health Center located within the Site Selection Area or grant Development Rights to anyone else to develop Next Health Centers within Area Developer's Site Selection Area.

Notwithstanding the foregoing, Franchisor and Franchisor's Affiliates have and retain all rights within and outside the Site Selection Area that are not expressly and exclusively granted to Area Developer under this Agreement and the right to do anything that Franchisor has not, in this Agreement, expressly agreed not to do, including the right to do and to authorize others to do the following:

1.2.1 own and operate, and license others to own and operate, any business (including Next Health Centers) using the System Standards (as defined in Section 2.4) and the Marks, at any location outside the Site Selection Area on such terms and conditions Franchisor deems appropriate;

1.2.2 1develop or become associated with other businesses, including other health and wellness concepts and systems, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the Site Selection Area;

1.2.3 acquire, be acquired by, merge or affiliate with, or engage in any transaction with other businesses (whether or not competitive) located anywhere and (i) convert the other businesses to Next Health Centers, and/or (ii) permit the other businesses to continue to operate under another name;

1.2.4 market, offer and sell products and services similar to those offered by Next Health Centers under a trademark or trademarks other than the Marks at any location, both within and outside the Site Selection Area;

1.2.5 market and sell, and grant to others the right to market and sell at any location, both within and outside the Site Selection Area, products and services that are authorized for sale at Next Health Centers through alternative channels of distribution (like mail order, e-commerce and catalog sales, and product lines in other businesses) using the Marks or other trademarks and commercial symbols; and

1.2.6 open and operate, or license third (3^{rd}) parties the right to open or operate, Special Venue Locations at both within and outside the Site Selection Area. "**Special Venue Locations**" are Next Health Centers located in transportation facilities (such as airports, train stations, etc.), sports arenas, entertainment facilities, and any captive location whose retail operations are controlled by a third (3^{rd}) party or in Franchisor's judgment should be operated by a third (3^{rd}) party.

1.3 **Development Schedule.** Each period described in the Development Schedule is a "**Development Period.**" Area Developer or Area Developer's approved Affiliates must deliver to Franchisor a fully executed lease (or otherwise secure possession of the premises), and open and operate Centers in the Site Selection Area, each pursuant to a written franchise agreement and related agreements signed by Franchisor and a franchisee (each a "**Franchise Agreement**"), as necessary to satisfy the requirements of each Development Period, but Area Developer shall not be required to open, in total, more than the cumulative number of Centers shown for the last Development Period. The Development Schedule is not Franchisor's representation, express or implied, that the Site Selection Area can support, or that there are or will be sufficient sites for, the number of Centers specified in the Development Schedule or during any particular Development Period. Franchisor is relying on Area Developer's knowledge and expertise of the Site Selection Area and Area Developer's representation that Area Developer has conducted Area Developer's own independent investigation and have determined that Area Developer can satisfy the development obligations under each Development Period of the Development Schedule.

1.4 **Locating Premises For Centers.** Despite any assistance Franchisor may provide, Area Developer is entirely responsible for locating and presenting to Franchisor proposed premises for Centers in the Site Selection Area as necessary to comply with the Development Schedule ("**Premises**"). Area Developer agrees to give Franchisor all information and materials Franchisor requests to assess each proposed Premises as well as Area Developer's and Area Developer's proposed Affiliate's financial and operational ability to develop and operate a Center at the proposed Premises. Franchisor has the absolute right to reject any proposed premises or any Affiliate (a) that does not meet Franchisor's criteria or (b) if Area Developer or Area Developer's Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating Area Developer's or their Centers in compliance with the mandatory specifications, standards, operating procedures and rules that Franchisor periodically prescribe for operating Centers (the "**System Standards**"). If Franchisor accepts a proposed Premises, Area Developer or Area Developer's approved Affiliate must sign a separate Franchise Agreement for the Premises within fifteen (15) days after Franchisor provide Area Developer with an execution copy of the Franchise Agreement, failing which, Franchisor may withdraw Franchisor's acceptance.

1.5 **Execution of Franchise Agreements.** Simultaneously with signing this Agreement, Area Developer or an Affiliate Franchisor approves, must sign and deliver to Franchisor a Franchise Agreement and related documents representing the first (1^{st}) Franchise Agreement are obligated to acquire under this Agreement. Area Developer or Area Developer's approved Affiliate must thereafter open and operate a Center according to the terms of that Franchise Agreement. Thereafter, once Franchisor has accepted a Premises, and prior to signing a lease or to otherwise securing possession of the Premises, Area Developer, or an Affiliate Franchisor approved, must sign Franchisor's then-current form of Franchise Agreement and related documents, the terms of which may differ substantially from the terms contained in the form of Franchise Agreement Franchisor is using to grant Franchises on the Effective Date. Each Franchise Agreement will govern the development and operation of the Center at the accepted Premises identified therein.

1.6 **No License to the Marks.** Notwithstanding any provision to the contrary under this Agreement, this Agreement does not grant Area Developer (or any of Area Developer's Affiliates) any right to use the Marks. The right to use the Marks is granted only under Franchise Agreements. Area Developer (and Area Developer's Affiliates) may not use any Mark as part of any corporate or trade name or as Area Developer's (or their) primary business name or with any prefix, suffix or other modifying words, terms, designs, symbols or in any modified forms.

2. DEVELOPMENT FEE

In addition to paying the Initial Franchise Fee due under the first (1^{st}) Franchise Agreement referenced in Section 1.3, Area Developer must pay Franchisor, on Area Developer's execution of this Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable Development Fee as shown in Appendix I (the "**Development Fee**"). Franchisor will apply the Development Fee as a credit against the initial franchise fee due under each Franchise Agreement which Area Developer or Area Developer's Affiliates execute pursuant to this Agreement, subject to a maximum credit under any Franchise Agreement equal to fifty percent (50%) of the initial franchise fee payable under such Franchise Agreement and a maximum credit for all such Franchise Agreements, in the aggregate, equal to the total Development Fee.

3. RECORDS & REPORTING REQUIREMENTS.

Area Developer agrees, during the Term, to maintain records regarding Area Developer's activities in connection with the exercise of the Development Rights and to provide Franchisor with the following records and reports:

3.1 within ten (10) days after the end of each month during the Term, Area Developer must send Franchisor a report of Area Developer's business activities during that month, including information about Area Developer's efforts to find sites for Centers in the Site Selection Area and the status of development and projected opening for each Center under development in the Site Selection Area;

3.2 within thirty (30) days after the end of each calendar quarter, Area Developer must provide Franchisor with a balance sheet and profit and loss statement (using Franchisor's standard chart of accounts) for Area Developer and Area Developer's Affiliates covering that quarter and the year-to-date, and an updated balance sheet for each person or entity signing the Guaranty; and

3.3 such other data, reports, information, financial statements, and supporting records as Franchisor reasonably requests from time to time.

4. TRANSFER

4.1 **By Franchisor.** Franchisor has the right to delegate the performance of any portion or all of Franchisor's rights and obligations under this Agreement to third (3^{rd}) party designees. Area Developer represents that Area Developer has not signed this Agreement in reliance on any particular person or entity remaining with Franchisor in any capacity. Franchisor may change Franchisor's ownership or form or assign this Agreement and any other agreement to a third (3^{rd}) party without restriction.**By Area Developer or Area Developer's Owners.** Area Developer's rights and duties under this Agreement are personal to Area Developer (or Area Developer's owners if Area Developer is a Business Entity), and Franchisor has granted Area Developer the Development Rights in reliance upon Franchisor's assessment of Area Developer's (or Area Developer's owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity.

Accordingly, neither Area Developer nor any of Area Developer's owners, nor any of Area Developer's or their permitted successors or assigns, may sell, assign, transfer, convey, give away, pledge, mortgage, or otherwise dispose of or encumber this Agreement (or any direct or indirect interest in this Agreement), the Development Rights, or any direct or indirect ownership interest in Area Developer (regardless of its size) (each, a "**Transfer"**), without Franchisor's prior written consent. Any Transfer without Franchisor's prior written approval is a material breach of this Agreement and has no effect.

If Area Developer intends to list Area Developer's Development Rights for sale with any broker or agent, Area Developer shall do so only after obtaining Franchisor's written approval of the broker or agent and of the listing agreement and any advertising materials. Area Developer may not use any Mark in advertising the transfer or sale of Area Developer's Development Rights or of any ownership in Area Developer without Franchisor's prior written consent.

4.3 **<u>Conditions for Approval of Transfer.</u>** Franchisor may consider, and Area Developer will provide or assist Franchisor in compiling, any information Franchisor deems necessary or appropriate in connection with Franchisor's assessment of a proposed Transfer. If Franchisor elects to approve a proposed Transfer, Franchisor may, at Franchisor's discretion, condition Franchisor's approval in any manner Franchisor deems necessary and appropriate to protect the Next Health brand and Franchisor's interests in the System and this Agreement, including any of the following (each of which Area Developer agrees is reasonable):

4.3.1 Area Developer and any person or entity obligated under this Agreement or Guaranty must be in compliance with Area Developer's or its obligations;

4.3.2 Area Developer and the proposed transferee and its owners (if the transferee is a Business Entity) must provide all information and documents Franchisor requests regarding the Transfer and the proposed transferee and its owners or Affiliates;

4.3.3 Area Developer must provide Franchisor with executed versions of any relevant documents to affect the Transfer, and all other information Franchisor requests about the proposed Transfer;

4.3.4 if Area Developer or the transferor offer the transferee financing for any part of the purchase price, all of the transferee's obligations under promissory notes, agreements, or security interests reserved in Area Developer's Development Rights must be subordinate to the transferee's obligation to pay all amounts due to Franchisor, Franchisor's Affiliates, and third (3^{rd}) party vendors and otherwise agree to comply with this Agreement (or any applicable Franchise Agreement with Franchisor);

4.3.5 Area Developer (and Area Developer's owner(s)) must sign a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's shareholders, officers, directors, employees and agents;

4.3.6 Area Developer (and Area Developer's transferring owner(s)) (and Area Developer's or their immediate family members) must sign a non-competition covenant in favor of Franchisor, commencing on the effective date of the Transfer and consistent with the post-term non-competition obligations contained in the most recent Franchise Agreement that Area Developer or Area Developer's Affiliates have signed with Franchisor;

4.3.7 Area Developer must pay all amounts owed to Franchisor, Franchisor's Affiliates, and third (3^{rd}) party vendors and must have submitted all required reports and statements under this Agreement and any Franchise Agreement with Franchisor;

4.3.8 Area Developer and Area Developer's owners must not have violated any provision of this Agreement or any other agreement with Franchisor or Franchisor's Affiliates during both the sixty (60) day period before Area Developer requested Franchisor's consent to the Transfer and the period between Area Developer's request and the effective date of the Transfer;

4.3.9 the transferee, at Franchisor's request, must sign Franchisor's then-current form of Area Development Agreement and related documents, any and all of the provisions of which may differ materially from any and all of those contained in this Agreement;

4.3.10 Area Developer must pay or cause to be paid to Franchisor a Transfer fee in an amount outlined in Appendix I; and

4.3.11 the Transfer of this Agreement must not be made separate and apart from the Transfer to the same transferee of all Franchise Agreements that were signed pursuant to this Agreement.

4.4 Effect of Consent to Transfer. Franchisor's consent to a Transfer is not a representation of the fairness of the terms of any contract between Area Developer and the transferee or transferee's prospects of success, or a waiver of any claims Franchisor has against Area Developer (or Area Developer's owners) or of Franchisor's right to demand full compliance by Area Developer and the transferee with this Agreement.

4.5 Public or Private Offerings. Written information used to raise or secure funds can reflect upon Franchisor and the System. Area Developer agrees to submit any written information intended to be used for that purpose to Franchisor before inclusion in any registration statement, prospectus or similar offering memorandum. Should Franchisor object to any reference to Franchisor or Franchisor's Affiliates or any of Franchisor's business in the offering literature or prospectus, the literature or prospectus shall not be used until Franchisor's objections are addressed to Franchisor's satisfaction or withdrawn. Area Developer may not engage in a public offering of securities without Franchisor's prior written consent.

4.6 Franchisor's Right of First (1st) Refusal. If Area Developer (or any of Area Developer's owners) desires to engage in a Transfer, Area Developer (or Area Developer's owners) agree to obtain from a responsible and fully disclosed buyer, and send Franchisor, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in Area Developer or in this Agreement and Area Developer's Development Rights. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the entire proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. Franchisor may require Area Developer (or Area Developer's owners) to send Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within thirty (30) days after Franchisor receives an exact copy of the bona fide offer and all relevant information Franchisor requests, Franchisor may, by written notice delivered to Area Developer or Area Developer's selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. Franchisor may substitute any form of payment proposed in the offer as acceptable consideration. If Franchisor exercise Franchisor's right of first (1^{st}) refusal, Franchisor will have thirty (30) days from the date Franchisor notified Area Developer of Franchisor's intended purchase. Area Developer and Area Developer's owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and Area Developer and Area Developer's selling owner(s) (and Area Developer's and their immediate family members) must comply with the obligations regarding Competitive Businesses, as described in the Franchise Agreements executed pursuant to this Agreement, as though such Franchise Agreements had expired on the date of the purchase. Franchisor has the unrestricted right to assign this right of first (1st) refusal to a third (3rd) party, who then will have the rights described in this Section 4.6.

If Franchisor does not exercise Franchisor's right of first (1st) refusal, Area Developer or Area Developer's owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor otherwise approves the Transfer in accordance with, and Area Developer (and Area Developer's owners) and the transferee comply with the conditions in, Sections 4.2 and 4.3 above. If Area Developer does not complete the sale to the proposed buyer within sixty (60) days after either Franchisor notifies Area Developer that Franchisor does not intend to exercise Franchisor's right of first (1st) refusal or the time Franchisor's exercise expires, or if there is a material change in the terms of the sale (which Area Developer agrees to tell Franchisor promptly), Franchisor or Franchisor's designee will have an additional right of first (1st) refusal during the thirty (30) day period following either the expiration of the sixty (60) day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's or Franchisor's designee's option.

5. TERMINATION OF AGREEMENT

5.1 By Area Developer. If Area Developer and Area Developer's owners are fully complying with this Agreement and Franchisor materially fails to comply with this Agreement and do not correct the failure within thirty (30) days after Area Developer delivers written notice of the material failure to Franchisor or if Franchisor cannot correct the failure within thirty (30) days and Franchisor fails to give Area Developer within thirty (30) days after Area Developer's notice reasonable evidence of Franchisor's effort to correct the failure within a reasonable time, Area Developer may terminate this Agreement effective an additional thirty (30) days after Area Developer delivers to Franchisor written notice of termination. Area Developer's termination of this Agreement other than according to this Section 5.1 will be deemed a termination without cause and a breach of this Agreement.

5.2 By Franchisor. Franchisor may terminate this Agreement, effective upon delivery of written notice to Area Developer, if:

5.2.1 Area Developer (or any of Area Developer's owners) has made or make any material misrepresentation or omission in the Application Materials;

5.2.2 Area Developer fails to comply with the Development Schedule or fail to make progress in the development of Centers to indicate, in Franchisor's determination, that Area Developer will not be able to satisfy Area Developer's development obligations under this Agreement for the then-current Development Period;

5.2.3 Area Developer (or any of Area Developer's owners) make or attempt to make a Transfer without complying with the requirements of Section 4;

5.2.4 Area Developer (or any of Area Developer's owners) (a) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any provision of this Agreement or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in either case, whether or not Franchisor notifies Area Developer of the failures, and, if Franchisor does notify Area Developer of the failures, whether or not Area Developer corrects the failures after Franchisor's delivery of notice to Area Developer;

5.2.5 Area Developer (or any of Area Developer's owners) files a petition in bankruptcy or a petition in bankruptcy is filed against Area Developer; Area Developer makes an assignment for the benefit of creditors or admit in writing Area Developer's insolvency or inability to pay Area Developer's debts generally as they become due; Area Developer consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of Area Developer's property; any of Area Developer's or Area Developer's Affiliates' Centers are attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within thirty (30) days; or any order appointing a receiver, trustee, or liquidator of Area Developer's or Area Developer's Affiliates' Centers are not vacated within thirty (30) days following the order's entry;

5.2.6 Area Developer (or any of Area Developer's owners) fails to comply with anti-terrorism laws, ordinances, regulations and Executive Orders;

5.2.7 Area Developer (or any of Area Developer's owners) fails to comply with any other provision of this Agreement and do not correct the failure within thirty (30) days after Franchisor delivers written notice of the failure to Area Developer;

5.2.8 Area Developer or a Guarantor or an Affiliate fails to comply with any other agreement with Franchisor or Franchisor's Affiliate, including any Franchise Agreement, unless the failure is timely and completely cured within any cure period provided under the applicable agreement); or

5.2.9 Area Developer (or any of Area Developer's owners) engages in any conduct which, in Franchisor's opinion, adversely affects the reputation of any Next Health Centers or the goodwill associated with the Marks.

6. RIGHTS & OBLIGATIONS ON TERMINATION OR EXPIRATION OF THIS AGREEMENT

6.1 Area Developer's Obligations. Area Developer and, as applicable, Area Developer's owners and all such other persons or Business Entities who are bound under the terms of this Agreement must immediately upon the expiration or termination of this Agreement, cease to directly or indirectly exercise or attempt to exercise any of the rights granted to Area Developer under this Agreement, comply with all obligations that either expressly survive or by their nature are intended to survive the expiration or termination of this Agreement, and refrain from interfering or attempting to interfere with Franchisor's or Franchisor's Affiliates' relationships with any vendors, franchisees or consultants or engage in any other activity which might injure the goodwill of the Marks or the System.

6.2 Continuing Obligations. All of Franchisor's and Area Developer's (and Area Developer's owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire, including, without limitation, all obligations relating to indemnification.

7. RELATIONSHIP OF THE PARTIES / INDEMNIFICATION

7.1 Independent Contractors. This Agreement does not create a fiduciary relationship between Area Developer and Franchisor. Area Developer and Franchisor are and will be independent contractors, and nothing in this Agreement is intended to make either Area Developer or Franchisor a general or special agent, joint venturer, partner, or employee of the other for any purpose. Area Developer agrees to identify conspicuously in all dealings with customers, vendors, public officials, Area Developer's personnel, and others as the owner of Area Developer business under the right Franchisor has granted and to place notices of independent ownership on the business cards, advertising, and other materials Franchisor periodically requires.

Area Developer also acknowledges that Area Developer will have a contractual relationship only with Franchisor and may look only to Franchisor to perform under this Agreement. None of Franchisor's Affiliates is a party to this Agreement and has no obligations under it. However, Franchisor's Affiliate who is the owner of the Marks, Area Developer and Franchisor agree that such Affiliate will be a third (3rd) party beneficiary of those provisions in this Agreement relating to use of the Marks, with the independent right to enforce such provisions against Area Developer and to seek damages from Area Developer for Area Developer's failure to comply with those provisions.

7.2 **Indemnification.** Area Developer agrees to indemnify, defend, and hold harmless Franchisor, Franchisor's Affiliates, and Franchisor's and their respective owners, managers, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one (1) or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business Area Developer conducts under this Agreement, or Area Developer's breach of this Agreement, including, without limitation, those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including, without limitation, reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at Area Developer's expense (including choosing and retaining its own legal counsel) and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party need not seek recovery from any insurer or other third (3rd) party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Area Developer under this subparagraph. Area Developer agrees that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from Area Developer under this Section 7.2.

8. ENFORCEMENT

8.1 **Arbitration.** Franchisor and Area Developer agrees that all controversies, disputes, or claims between Franchisor or any of Franchisor's Affiliates, and Franchisor's and their respective shareholders, officers, directors, agents, and employees, on the one hand, and Area Developer (and Area Developer's owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between Area Developer (or any of Area Developer's owners) and Franchisor (or any of Franchisor's Affiliates); (2) Franchisor's relationship with Area Developer; (3) the scope or validity of this Agreement or any other agreement between Area Developer (or any of Area Developer's owners) and Franchisor (or any of Franchisor's Affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Area Developer acknowledges to be determined by an arbitrator, not a court); or (4) any System Standards, must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then-current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within fifty (50) miles of Franchisor's or, as applicable, Franchisor's successor's or assign's then current principal place of business (currently, West Hollywood, CA). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his/her awards any relief which he/she deems proper, including, without limitation, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor or Franchisor's Affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (Franchisor and Area Developer hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). In any arbitration brought pursuant to this arbitration provision, and in any action in which a party seeks to enforce compliance with this arbitration provision, the prevailing party shall be awarded its costs and expenses, including attorneys' fees, incurred in connection therewith.

Franchisor and Area Developer agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Franchisor and Area Developer further agree that, in any arbitration proceeding, each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by either Area Developer or Franchisor.

FRANCHISOR AND AREA DEVELOPER AGREE THAT ARBITRATION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT AN ARBITRATION PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND AREA DEVELOPER (OR AREA DEVELOPER'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER ARBITRATION PROCEEDING, (III) JOINED WITH ANY SEPARATE CLAIM OF AN UNAFFILIATED THIRD (3rd) PARTY, OR (IV) BROUGHT ON AREA DEVELOPER'S BEHALF BY ANY ASSOCIATION OR AGENT. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

Franchisor and Area Developer agree that, in any arbitration arising as described herein, the arbitrator shall have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain and shall not include broad phraseology such as "all documents directly or indirectly related to." Area Developer and Franchisor further agree that no interrogatories or requests to admit shall be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain (3rd) party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to this Agreement to arbitrate contained in this Section.

8.2 <u>Governing Law.</u> Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other United States federal law, this Agreement, the franchise and all claims arising from the relationship between Franchisor and Area Developer will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules, except that (1) any state law regulating the offer or sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this Section, and (2) the enforceability of those provisions of this Agreement which relate to restrictions on Area Developer and Area Developer's owners' competitive activities will be governed by the laws of the state in which Area Developer's Site Selection Area is located.

8.3 **Consent to Jurisdiction.** Subject to the obligation to arbitrate under Section 8.1 above and the provisions below, Area Developer and Area Developer's owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between Area Developer and Franchisor must be commenced in the court nearest to Franchisor's or, as applicable, Franchisor's successor's or assign's then current principal place of business (currently, West Hollywood, CA), and Area Developer (and each owner) irrevocably submits to the jurisdiction of that court and waive any objection Area Developer (or the owner) might have to either the jurisdiction of or venue in that court.

8.4 **Waiver of Punitive Damages, Class Action Bar & Jury Trial.** Except for Area Developer's obligation to indemnify Franchisor for third (3rd) party claims under Section 7.2, Franchisor and Area Developer (and Area Developer's owners) waives to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between Franchisor and Area Developer, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

FRANCHISOR AND AREA DEVELOPER AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL BASIS AND THAT ANY PROCEEDING BETWEEN FRANCHISOR AND ANY OF FRANCHISOR'S AFFILIATES, OR FRANCHISOR'S AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES, ON THE ONE HAND, AND AREA DEVELOPER (OR AREA DEVELOPER'S OWNERS, GUARANTORS, AFFILIATES, AND EMPLOYEES), ON THE OTHER HAND, MAY NOT BE: (I) CONDUCTED ON A CLASS-WIDE BASIS, (II) COMMENCED, CONDUCTED OR CONSOLIDATED WITH ANY OTHER PROCEEDING, (III) JOINED WITH ANY CLAIM OF AN UNAFFILIATED THIRD (3rd) PARTY, OR (IV) BROUGHT ON AREA DEVELOPER'S BEHALF BY ANY ASSOCIATION OR AGENT.

FRANCHISOR AND AREA DEVELOPER IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER FRANCHISOR OR AREA DEVELOPER.

8.5 **Injunctive Relief.** Nothing in this Agreement, including the provisions of Section 8.1, bars Franchisor's right to obtain specific performance of the provisions of this Agreement and injunctive relief against any threatened or actual conduct that will cause Franchisor, the Marks, or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and temporary or preliminary injunctions. Area Developer agrees that Franchisor may seek such relief from any court of competent jurisdiction in addition to such further or other relief as may be available to Franchisor at law or in equity. Area Developer agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Area Developer's only remedy if an injunction is entered against Area Developer will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

8.6 **Costs & Attorneys' Fees.** The prevailing party in any judicial or arbitration proceeding shall be entitled to recover from the other party all damages, costs and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

8.7 **Limitations of Claims.** EXCEPT FOR CLAIMS ARISING FROM AREA DEVELOPER'S NON PAYMENT OR UNDERPAYMENT OF AMOUNTS AREA DEVELOPER OWES TO FRANCHISOR, ANY AND ALL CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT OR FRANCHISOR'S RELATIONSHIP WITH AREA DEVELOPER WILL BE BARRED UNLESS A JUDICIAL OR ARBITRATION PROCEEDING IS COMMENCED IN ACCORDANCE WITH THIS AGREEMENT WITHIN ONE (1) YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIMS. The parties understand that such time limit might be shorter than otherwise allowed by law. Area Developer and Area Developer's owners agree that Area Developer's sole recourse for claims arising between the parties shall be against Franchisor or Franchisor's successors and assigns. Area Developer and Area Developer's owners agree that Franchisor's and Franchisor's Affiliates' members, managers, shareholders, directors, officers, employees, and agents shall not be personally liable nor named as a party in any action between Franchisor or Franchisor's Affiliates and Area Developer or Area Developer's owners.

No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement.

9. MISCELLANEOUS

9.1 Binding Effect. This Agreement is binding upon Franchisor and Area Developer and Franchisor's and Area Developer's respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to Franchisor's right to modify the System Standards, this Agreement may not be modified except by a written agreement signed by Franchisor's and Area Developer's duly authorized officers.

9.2 Rights of Parties Are Cumulative. Franchisor's and Area Developer's rights under this Agreement are cumulative, and Franchisor's or Area Developer's exercise or enforcement of any right or remedy under this Agreement will not preclude Franchisor's or Area Developer's exercise or enforcement of any other right or remedy which Franchisor or Area Developer are entitled to by law to enforce.

9.3 Severability & Substitution of Valid Provisions. Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of Franchisor's refusal to enter into a successor franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any System Standard is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and Franchisor may modify the invalid or unenforceable provision or System Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. Area Developer agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

9.4 Waiver of Obligations. Franchisor and Area Developer may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights Franchisor or Area Developer has, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

Franchisor and Area Developer will not waive or impair any right, power, or option this Agreement reserves (including Franchisor's right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; Franchisor's or Area Developer's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement. No special or restrictive legend or endorsement on any check or similar item given to Franchisor will be a waiver, compromise, settlement, or accord and satisfaction. Franchisor is authorized to remove any legend or endorsement, which then will have no effect.

9.5 The Exercise of Franchisor's Judgement. Franchisor has the right to operate, develop, and change the System in any manner that is not specifically prohibited by this Agreement. Whenever Franchisor has reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant Area Developer a right to take or withhold an action, or to provide or withhold approval or consent, Franchisor may, except as otherwise specifically provided in this Agreement, make Franchisor's decision or exercise Franchisor's rights in Franchisor's sole and unfettered discretion.

9.6 Construction. The preambles and exhibits are a part of this Agreement, which together with this Agreement constitute Franchisor's and Area Developer's entire agreement, and there are no other oral or written understandings or agreements between Franchisor and Area Developer, or oral or written representations by Franchisor, relating to the subject matter of this Agreement, the franchise relationship, or Area Developer's Development Rights (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Any policies that Franchisor periodically adopts and implements to guide Franchisor in Franchisor's decision-making are subject to change, are not a part of this Agreement, and are not binding on Franchisor. Except as provided in Section 7.2, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement. Nothing in this Agreement or in any related agreement is intended to disclaim the representations Franchisor made in the franchise disclosure document.

Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold Franchisor's approval of any of Area Developer's actions or requests, Franchisor has the absolute right to refuse any request Area Developer makes or to withhold Franchisor's approval of any of Area Developer's proposed, initiated, or completed actions that require Franchisor's approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or construe the contents of these sections or paragraphs.

References in this Agreement to "**Franchisor**," and "**Franchisor's**," with respect to all of Franchisor's rights and all of Area Developer's obligations to Franchisor under this Agreement, include any of Franchisor's Affiliates with whom Area Developer deals. The term "**Affiliate**" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling Area Developer or Franchisor. "**Control**" means the power to direct or cause the direction of management and policies. "**Including**" means "including, without limitation."

If two (2) or more persons are at any time the owners of the Development Rights, whether as partners or joint venturers, their obligations and liabilities to Franchisor will be joint and several. References to "**owner**" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in Area Developer (or a transferee of this Agreement and Area Developer's Development Rights or an ownership interest in Area Developer), including, without limitation, any person who has a direct or indirect interest in Area Developer (or a transferee), this Agreement, the Franchise, or Area Developer's Development Rights and any person who has any other legal or equitable interest, or the power to vest in him/herself any legal or equitable interest, in their revenue, profits, rights, or assets. References to an "**ownership interest**" in Area Developer or one (1) of Area Developer's owners (if a Business Entity) mean the percent of the voting shares or other voting rights that results from dividing one percent (100%) of the ownership interests by the number of owners. "**Person**" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

Unless otherwise specified, all references to a number of days shall mean calendar days and not business days.

The following provision applies if Area Developer or the Development Rights granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

> *"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."*

9.7 **No Warranty or Representation.** Franchisor and Franchisor's agents, Affiliates, officers, directors, managers, owners, employees and other representatives have not made or given to Area Developer any warranties, representations, undertakings, commitments, covenants or guarantees respecting the subject matter of this Agreement except as expressly stated in this Agreement, and specifically without limiting the generality of the foregoing, Area Developer hereby acknowledges and agrees that Franchisor and Franchisor's agents, Affiliates, officers, directors, managers, owners, employees and other representatives have not made or given any warranty, representation, undertaking, commitment, covenant or guarantee in respect of sales or profit to be derived or costs or expenses to be incurred by Area Developer and that Area Developer is not relying upon any warranties, representations, undertakings, commitments, covenants or guarantees of Franchisor and Franchisor's officers, directors, shareholders, employees and other representatives except as provided in this Agreement.

9.8 **Notices.** All notices, consents, approvals, statements, documents or other communications required or permitted to be given hereunder must be in writing, and will be deemed to be delivered on the earlier of the date of actual delivery or one of the following: (i) at the time delivered by hand, (ii) at the time delivered via computer transmission and, in the case of amounts due, at the time Franchisor actually receives electronic payment, or (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Area Developer's and Franchisor's current notice addresses are shown in Appendix I and this Agreement. Any notice must be sent to Area Developer at the address shown in Appendix I and to Franchisor at the address shown in the opening paragraph of this Agreement, attention: President, or to the most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to Area Developer at the address of any of Area Developer' Centers. Any required payment or report which Franchisor does not actually receive during regular business hours on the date due will be deemed delinquent.

9.9 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[*SIGNATURE PAGE TO FOLLOW*]

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

FRANCHISOR

____

By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

AREA DEVELOPER

____

By: <<Principal Operator>>
<<Position>> of
<<Entity Name>>

____

By: <<Principal Operator>>
<<Position>> of
<<Entity Name>>

APPENDIX I

AREA DEVELOPER SPECIFIC TERMS

The following includes items that are specific to this Area Development Agreement and will be completed when the Area Development Agreement is provided for signature

ADA SECTION	ITEM	DESCRIPTION
Preamble	**Area Development Agreement Effective Date**	
Preamble	**Franchisor** **Type of entity & place of organization** **Franchisor Address**	Next Health Franchising, LLC A Delaware limited liability company 8560 West Sunset Boulevard, Suite 650 West Hollywood, CA 90069
Preamble	**Area Developer** **Type of entity & place of organization** **Area Developer Address**	<<Area Developer Entity Name>> a/an <<State>> corporation / limited liability company <<Address>>
Recitals	**Ownership of Area Development**	If the Area Developer is an Entity (as defined in this Agreement), the following persons constitutes all of the owners of a legal and/or beneficial interest in the Area Developer: <<Owner>> <<%>> <<Type of Ownership>> <<Address>> <<Owner>> <<%>> <<Type of Ownership>> <<Address>> <<Owner>> <<%>> <<Type of Ownership>> <<Address>>
Recitals	**Principal Operator**	<<Name>> <<Address>> <<Phone Number>> <<Email>>
Recitals	**Primary Contact**	<<Name>> <<Address>> <<Phone Number>> <<Email>>
Article 1.1	**Territory Description**	In the State of <<State>> The Site Selection Area will be located in the area known as:excluding any prior existing Franchisees' or Area Developers' territories, which will be more specifically defined after lease signing, to encompass a three (3) mile radius, with the following considerations: geographical boundaries, cultural demographics,

<table>
<tr><th>ADA SECTION</th><th>ITEM</th><th>DESCRIPTION</th></tr>
<tr><td></td><td></td><td>household income, population count, age, traffic/trip count, daytime population, competition, housing density and permit and zoning regulations.

If the Site Selection Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.</td></tr>
<tr><td>Article 1.3</td><td colspan="2">Development Schedule
<table>
<tr><th>Development Period</th><th>Executed Leases During Period</th><th>Executed Leases at the End of Period</th><th>Centers Opened During Period</th><th>Centers Opened at End of Period</th></tr>
<tr><td>Execution Date to</td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="5">* To satisfy this requirement, Franchisor must have received, by the end of the Development Period, a fully executed (by all parties) copy of the Lease (together with all exhibits) that Franchisor has approved in accordance with the applicable Franchise Agreement.</td></tr>
</table></td></tr>
<tr><td>Article 2</td><td>Initial Development Fee</td><td>$
(Total Fee = 1 full Initial Franchise Fee + (1/2 Initial Franchise Fee x # of Agreed Upon Locations within Site Selection Area))</td></tr>
<tr><td>Article 4.3.10</td><td>Transfer Fee</td><td>$20,000.00</td></tr>
<tr><td>Article 9.8</td><td>Notices for Area Developer</td><td>All Notices for Area Developer shall be sent to:
<<Name>>
<<Entity>>
<<Address>>
<<Email>></td></tr>
<tr><td></td><td>Additional Provisions</td><td>(Any addendums or changes to this Agreement will be listed here)</td></tr>
</table>

By signing below, Franchisee represents and warrants to Franchisor that the information contained in this Appendix I is true and correct. The parties, intending to be legally bound, accept and agree that this Appendix I and the accompanying Area Development Terms (together, the "**Agreement**") describe their respective rights and obligations, and each agrees to be bound thereto and to perform as set forth therein.

FRANCHISOR	**AREA DEVELOPER**
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Position>> of <<Entity Name>>
	By: <<Principal Operator>> <<Position>> of <<Entity Name>>

APPENDIX II

PAYMENT & PERFORMANCE GUARANTEE

This PAYMENT & PERFORMANCE GUARANTEE is given by each of the undersigned persons (each a "Guarantor") to be effective as of the Effective Date of the Agreement (defined below).

In consideration of, and as an inducement to, the execution of that certain Area Development Agreement (as amended, modified, restated or supplemented from time to time, the "Agreement") on this date by NEXT HEALTH FRANCHISING LLC ("Franchisor"), each Guarantor personally and unconditionally (a) guarantees to Franchisor and its successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that ____________________________ ("Developer") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement and (b) agrees to be personally bound by, and personally liable for each and every provision in the Agreement that sets out an obligation of the Developer, including both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities.

Each Guarantor consents and agrees that: (1) Guarantor's direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) Guarantor will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon Franchisor's pursuit of any remedies against Franchisee or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement; and (5) at Franchisor's request, each Guarantor shall present updated financial information to Franchisor as reasonably necessary to demonstrate such Guarantor's ability to satisfy the financial obligations of Franchisee under the Agreement.

Each Guarantor waives: (i) all rights to payments and claims for reimbursement or subrogation which any Guarantor may have against Franchisee arising as a result of the Guarantor's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by Franchisor of Guarantor's undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor represents and warrants that, if no signature appears below for such Guarantor's spouse, such Guarantor is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Section 8 (Enforcement) of the Agreement, including Section 8.1 (Arbitration), Section 8.3 (Consent to Jurisdiction) and Section 8.6(Costs and Attorneys' Fees) of the Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses Franchisor may incur in connection with enforcing the terms of this Guaranty.

By signing below, the undersigned non-owner spouse of each Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. Franchisor confirms that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including, without limitation, to bind the spouse's own separate property).

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchisee (or any of its Affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guaranty is binding upon each Guarantor and its respective executors, administrators, heirs, beneficiaries, and successors in interest.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature to this Guaranty.

GUARANTOR(S)	SPOUSE(S)
Name:________________________ Sign: ______________________________ Address: __________________________ __________________________________ __________________________________ Date: ______________________________	Name:________________________ Sign: ______________________________ Address: __________________________ __________________________________ __________________________________ Date: ______________________________
Name:________________________ Sign: ______________________________ Address: __________________________ __________________________________ __________________________________ Date: ______________________________	Name:________________________ Sign: ______________________________ Address: __________________________ __________________________________ __________________________________ Date: ______________________________

Appendix III

Next Health Payment Authorization Forms

<<Area Developer Entity Name>> dba Next Health <<DBA>> authorizes Next Health Franchising, LLC to charge / debit the account specified below for amounts relating to paying fees, charges and any other amounts owed pursuant to the terms of the Area Development Agreement. These debits are related to the operation of the Area Development Business and the amount of each debit will vary from month to month, to a maximum amount (if any) as set forth in the Area Development Agreement.

ACH Authorization Banking Information *Please fill out all the information below accurately and completely.*	
Name on Account:	Contact Person:
Address on Account:	Title:
Phone Number:	This is authorization for: ☐ Initial Franchise Fees
Bank Name:	
Bank Address:	
Account Number:	
Routing Number:	
This account is a: ☐ Personal Account (updated info provided later, once Entity is established) ☐ Entity Business Account	Account Type: ☐ Checking ☐ Savings
R = Recurring Charges (Monthly or Weekly according to the Franchise Agreement)	

I, <<Principal Operator>>, acknowledge I have the authority to execute this ACH Authorization Form and agree to notify Next Health Franchising, LLC in writing of any changes in account information or termination of this authorization fifteen (15) days prior to the next due date of the charges. In the case of an ACH Transaction being rejected for Non-Sufficient Funds ("**NSF**"), I understand that Next Health Franchising, LLC may at its discretion attempt to process the charge again within thirty (30) days, and agree to an additional One hundred and 00/100 Dollars ($100.00) charge for each attempt returned NSF which will be initiated as a separate transaction from the authorized recurring payment, as stated in the Area Development Agreement. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of U.S. law. I understand that cancellations must be made in writing, and I will not dispute merchant recurring billing with my bank so long as the amount corresponds to the terms indicated in the Area Development Agreement.

This authorization is given and shall begin on this day ____________________________.

____

By: <<Principal Operator>>
<<Position>> of
<<Area Developer Entity Name>>

NEXT HEALTH

CREDIT CARD AUTHORIZATION FORM

<<Entity Name>> dba Next Health <<DBA>> authorizes Next Health Franchising, LLC to charge / debit the credit card specified below for amounts relating to paying fees, charges and any other amounts owed pursuant to the terms of the Area Development Agreement. These debits are related to the operation of the Area Development Business and the amount of each debit will vary from month to month, to a maximum amount (if any) as set forth in the Area Development Agreement.

<table>
<tr><th colspan="2">CREDIT CARD INFORMATION
Please fill out all the information below accurately and completely.</th></tr>
<tr><td>Name on Account:</td><td>Contact Person:</td></tr>
<tr><td>Address on Account:</td><td>Title:</td></tr>
<tr><td>City, State & Zip:</td><td rowspan="5">This is authorization for:
☐ Initial Development Fee</td></tr>
<tr><td>Credit Card Type:</td></tr>
<tr><td>Card Number:</td></tr>
<tr><td>Expiration Date:</td></tr>
<tr><td>CCV Code:</td></tr>
<tr><td colspan="2">This account is a: ☐ Personal Card (updated info provided later, once Entity is established)
☐ Entity Business Card</td></tr>
<tr><td colspan="2">R = Recurring Charges (Monthly or Weekly according to the Franchise Agreement)</td></tr>
</table>

I, <<Principal Operator>>, acknowledge I have the authority to execute this Credit Card Authorization Form and agree to notify Next Health Franchising, LLC in writing of any changes in account information or termination of this authorization fifteen (15) days prior to the next due date of the charges. I acknowledge that I may incur a credit card processing fee of up to eight percent (8%) of the total transaction for each time my card is processed, depending on the card type utilized. I further acknowledge that the origination of credit card transactions to my account must comply with the provisions of U.S. law. I understand that cancellations must be made in writing, and I will not dispute merchant recurring billing with my bank so long as the amount corresponds to the terms indicated in the Area Development Agreement.

This authorization is given and shall begin on this day ______________________________.

____

By: <<Principal Operator>>
<<Title>> of
<<Area Developer Entity Name>>

APPENDIX IV

TO AREA DEVELOPMENT AGREEMENT

REPRESENTATIONS AND ACKNOWLEDGEMENT STATEMENT

DO NOT SIGN THIS STATEMENT IF YOU OR THE FRANCHISE GRANTED HEREBY ARE SUBJECT TO THE FRANCHISE REGISTRATION OR DISCLOSURE LAWS IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, OR WISCONSIN.

The purpose of this Statement is to demonstrate to **NEXT HEALTH FRANCHISING LLC**, a Delaware limited liability company ("Franchisor") that the person(s) signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the development and/or franchise rights ("Franchisee"), (a) fully understands that the purchase of a Next Health Center franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") with which you were provided prior to signing this Agreement in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I acknowledge that I have had the opportunity to personally and carefully review the FDD and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the Franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:
PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED. Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD? ☐ Yes ☐ No (Initial Here: ____) If you selected "Yes," please describe the information you received on the lines below: ____ ____.	INITIAL:

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement become a person or entity described above or otherwise become a target of any anti-terrorism law.

Sign: ______________________________
Name: _____________________________
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: ______________________________
Name: _____________________________
Capacity: Individually, and for and on behalf of
[Franchisee Name]

Sign: ______________________________
Name: _____________________________
Capacity: Individually, and for and on behalf of
[Franchisee Name]

EXHIBIT D

LISTS OF FRANCHISEES

LIST OF FRANCHISEES & THEIR OUTLETS AS OF DECEMBER 31, 2025

Serial No.	Franchisee Name	Outlet Address	City	State	Zip Code	Phone Number
1.	NH Montecito Inc.*	559 San Ysidro Road, Suite C,	Montecito	CA	93108	805-465-2582
2.	Eternal Vitality Solutions TW, LLC	23383 Mulholland Dr.	Woodland	CA	91364	818-230-7835
3.	NH Aventura, LLC *	19505 Biscayne Blvd Suite 2125	Miami	FL	33180	786-284-1358
4.	MedBuild Lincoln Park, LLC *	2313 North Lincoln Avenue Suite A2-150	Chicago	IL	60614	312-624-7513
5.	NH Midtown TN, LLC *	616 8th Avenue South	Nashville	TN	37203	615-562-3717

* Designates outlets developed pursuant to an Area Development Agreement

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

LIST OF FRANCHISEES WHO SIGNED FRANCHISE AGREEMENTS OF DECEMBER 31, 2025, BUT HAVE NOT OPENED THEIR CENTERS

Serial No.	Franchisee Name	Outlet Address	City	State	Zip Code	Phone Number
1.	NH Arizona, LLC[1]	23423 N 67th Ave.	Glendale	AZ	85310	623-267-3941
2.	NH - The Ridge, LLC*[2]	7470 Elk Grove Blvd	Elk Grove	CA	95757	916-775-9958
3.	NH - Alder Creek, LLC*	2300 East Bidwell Street Suite S3A-2	Folsom	CA	95630	310-620-3068
4.	NH Irvine, LLC*	8599 Irvine Center Drive	Irvine	CA	92618	310-795-9225
5.	NH - Nugget Plaza, LLC*	721 Pleasant Grove Blvd Suite 150	Roseville	CA	95678	279-205-2020
6.	Longevity Solutions, Inc.*	4575 La Jolla Village Drive, Suite #1174	San Diego	CA	92122	858-295-9267
7.	Havery Health, LLC[3]	1855 29th St #1164	Boulder	CO	80301	983-203-1614
8.	NH Fort Lauderdale, LLC*	1902 N Federal Highway	Fort Lauderdale	FL	33305	602-430-6728
9.	NH Miami Beach, LLC*	1212 Lincoln Road, Suite 102	Miami Beach	FL	33139	602-430-6728
10.	Norman Health, Inc.*	202 North Rome Avenue, Suite 101	Tampa	FL	33606	256-942-2169
11.	MedBuild Naperville, LLC	TBD	Naperville	IL	TBD	630-290-7021
12.	MedBuild Oakbrook, LLC	1301 W 22nd Street	Oak Brook	IL	60523	630-290-7021
13.	NH - Chestnut Hill, LLC	27 Boylston Street	Chestnut	MA	02467	617-620-9823
14.	NH Green Hills TN, LLC*[4]	3710 Hillsboro Pike	Nashville	TN	37215	615-562-3717
15.	Everwell Management, LLC*	7415 Southwest Parkway Building 5, Suite 500	Austin	TX	78735	630-561-3335
16.	MedBuild, LLC*	TBD	Dallas	TX	TBD	630-290-7021
17.	NH Bellevue, LLC[5]	10425 NE 8th St.	Bellevue	WA	98004	425-274-2887

[1] Opened in 2026
[2] Opened in 2026
[3] Opened in 2026
[4] Opened in 2026
[5] Opened in 2026

18.	NH Colorado, LLC*	TBD	TBD	WA	98230	604-561-5222
19.	NH Colorado 2, LLC*	TBD	TBD	WA	98230	604-561-5222

* Designates Franchise Agreements signed pursuant to an Area Development Agreement

LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2025

Former franchisees who have had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement and franchisees that have not communicated with us within ten (10) weeks of the issuance date of this Disclosure Document.

Serial No.	Franchisee Name	City	State	Last Known Phone Number	Reason
1.	Malcolm Smith	Woodland Hills	CA	213-819-2776	Terminated prior to opening
2.	Arizona Health One, LLC*	Las Vegas	NV	650-714-8889	Terminated prior to opening

* Designates Franchise Agreements signed under an Area Development Agreement

EXHIBIT E

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS

THESE FINANCIAL STATMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM

Next Health Franchising LLC

Balance Sheets

As of June 30, 2026 (Unaudited)

		2026
Assets		
Current Assets		
Cash and cash equivalents	$	412,221
Accounts receivable		1,069,589
Due from related party		1,454,296
Franchisee equipment in transit		2,873,759
Prepaid expenses and other current assets		5,500
Total current assets		5,815,365
Total assets	$	5,815,365
Liabilities and Member's Deficit		
Current Liabilities		
Accounts payable and accrued expenses	$	1,831,624
Due to related party		2,681,010
Deferred franchise fees, current portion		779,000
Deferred equipment fees, current portion		2,203,880
Total current liabilities		7,495,514
Deferred Franchise Fees, Net of Current Portion		767,554
Deferred Equipment Fees, Net of Current Portion		-
Total liabilities		8,263,068
Member's Deficit		(2,447,703)
Total liabilities and member's deficit	$	5,815,365

THESE FINANCIAL STATMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM

Next Health Franchising LLC

Statement of Operations and Member's Deficit (Unaudited)

Six Months Ended June 30, 2026

	2026
Revenues	
Equipment sales	$ (1,651)
Franchise fees	-
Royalties	230,605
Brand fund fees	54,734
Other operating revenues	78,654
Total revenues	362,342
Cost of Revenues	24,631
Gross Profit	337,711
Operating Expenses	
Salaries and wages	-
General and administrative	132,764
Total operating expenses	132,764
Net income	204,947

THESE FINANCIAL STATMENTS WERE PREPARED WITHOUT AN AUDIT. INVESTORS IN OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAS AUDITED THESE FIGURES OR EXPRESSED HIS OPINION WITH REGARD TO THEIR CONTENTS OR FORM

AUDITED FINANCIAL STATEMENTS

Next Health Franchising LLC

Financial Statements

December 31, 2025, 2024 and 2023

Next Health Franchising LLC

Table of Contents
December 31, 2025, 2024 and 2023

Independent Auditors' Report

To the Member of
Next Health Franchising LLC

Opinion

We have audited the accompanying financial statements of Next Health Franchising LLC (the Company), which comprise the balance sheets as of December 31, 2025 and 2024 and the related statements of operations and member's deficit and cash flows for the years ended December 31, 2025, 2024 and the period from April 17, 2023 (date of inception) to December 31, 2023 and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024 and the results of its operations and its cash flows for the years ended December 31, 2025, 2024 and the period from April 17, 2023 (date of inception) to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements 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 Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 statements.

- 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.

Baker Tilly US, LLP

Los Angeles, California
July 23, 2026

Next Health Franchising LLC

Balance Sheets
December 31, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	$ 95,095	$ 1,623,756
Accounts receivable	293,446	80,799
Due from related party	1,716,109	1,132,884
Franchisee equipment in transit	2,037,113	1,217,380
Total current assets	4,141,763	4,054,819
Total assets	$ 4,141,763	$ 4,054,819
Liabilities and Member's Deficit		
Current Liabilities		
Accounts payable and accrued expenses	$ 560,221	$ 445,916
Due to related party	2,563,909	2,616,817
Deferred franchise fees, current portion	739,000	360,000
Deferred equipment fees, current portion	2,203,880	923,596
Total current liabilities	6,067,010	4,346,329
Deferred Franchise Fees, Net of Current Portion	817,137	1,146,554
Deferred Equipment Fees, Net of Current Portion	-	252,430
Total liabilities	6,884,147	5,745,313
Member's Deficit	(2,742,384)	(1,690,494)
Total liabilities and member's deficit	$ 4,141,763	$ 4,054,819

See notes to financial statements

Next Health Franchising LLC

Statements of Operations and Member's Deficit
Years Ended December 31, 2025, 2024 and the Period From April 17, 2023 (Date of Inception) to December 31, 2023

	2025	2024	2023
Revenues			
Equipment sales	$ 1,716,305	$ -	$ -
Franchise fees	260,417	-	1,446
Royalties	222,553	-	-
Brand fund fees	47,410	-	-
Other operating revenues	213,300	38,358	-
Total revenues	2,459,985	38,358	1,446
Cost of Revenues	1,601,266	-	-
Gross Profit	858,719	38,358	1,446
Operating Expenses			
Salaries and wages	1,608,435	1,139,019	214,708
General and administrative	302,174	457,025	21,477
Total operating expenses	1,910,609	1,596,044	236,185
Net loss	(1,051,890)	(1,557,686)	(234,739)
Member's Deficit, Beginning	(1,690,494)	(132,808)	-
Member contributions	-	-	101,931
Net loss	(1,051,890)	(1,557,686)	(234,739)
Member's Deficit, Ending	$ (2,742,384)	$ (1,690,494)	$ (132,808)

See notes to financial statements

Next Health Franchising LLC

Statements of Cash Flows
Years Ended December 31, 2025, 2024 and the Period From April 17, 2023 (Date of Inception) to December 31, 2023

	2025	2024	2023
Cash Flows From Operating Activities			
Net loss	$ (1,051,890)	$ (1,557,686)	$ (234,739)
Changes in operating assets and liabilities:			
Accounts receivable	(212,647)	(80,799)	-
Due from related party	(583,225)	(536,884)	(596,000)
Franchisee equipment in transit	(819,733)	(1,217,380)	-
Accounts payable and accrued expenses	114,305	427,603	18,313
Due to related party	(52,908)	2,398,945	217,872
Deferred franchise fees	49,583	1,010,000	496,554
Deferred equipment fees	1,027,854	1,176,026	-
Net cash (used in) provided by operating activities	(1,528,661)	1,619,825	(98,000)
Cash Flows From Financing Activities			
Contributions from member	-	-	101,931
Net cash provided by financing activities	-	-	101,931
Net (decrease) increase in cash and cash equivalent	(1,528,661)	1,619,825	3,931
Cash and Cash Equivalents, Beginning	1,623,756	3,931	-
Cash and Cash Equivalents, Ending	$ 95,095	$ 1,623,756	$ 3,931

See notes to financial statements

1. Organization and Description of Business

Next Health Franchising LLC (the Company), a Delaware limited liability company (LLC), was formed on April 17, 2023. The sole member of the Company is Next Health Management Group, Inc., a Delaware corporation (the Member).

The Company offers and sells franchises to operate health and wellness centers under the Next Health brand throughout the United States. The Company has a 10-year renewable trademark license agreement with its Member that grants the Company a nonexclusive right to use the Next Health trademarks and to license the trademarks to franchisees under franchise agreements. As of December 31, 2025, the Company had 16 signed franchise agreements and 5 franchise locations in operation. As of December 31, 2024, the Company had 11 signed franchise agreements and did not have any franchise locations in operation.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of the financial statements, in accordance with U.S. GAAP, requires that management makes certain estimates and assumptions. These estimates and assumptions affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities as of the balance sheet date. The actual results could differ significantly from those estimates.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments purchased with an original maturity of 90 days or less to be cash equivalents. As of December 31, 2025 and 2024, the Company carried no cash equivalents.

Fair Value Measurements

The Company's financial instruments, none of which are held for trading purposes, include cash, accounts receivable, accounts payable, and accrued expenses. Management estimates that the fair value of all financial instruments at December 31, 2025 and 2024 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

Accounts Receivable and Allowance for Expected Credit Losses

Accounts receivable are amounts due from franchisees and royalties from licensed outlets. As of December 31, 2025 and 2024, the Company has an accounts receivable balance of $293,446 and $80,799, respectively. The Company measures expected credit losses on accounts receivable using relevant information including historical credit loss experience, current conditions, and reasonable and supportable forecasts over the contractual term. The Company writes off accounts receivable when they are deemed to be uncollectible. As of December 31, 2025 and 2024, the Company determined that an allowance for expected credit losses was not necessary.

The opening and closing accounts receivable balances are as follows:

	2025	2024	2023
Accounts receivable	$ 293,446	$ 80,799	$ -

Franchisee Equipment in Transit

The Company purchases equipment on behalf of franchisees pursuant to equipment sales agreements. Equipment is shipped directly from third-party vendors to franchisee locations, and the Company does not take physical possession of the equipment. The Company recognizes the cost of equipment as an asset while it retains control of the equipment and has not yet satisfied its performance obligation under the related equipment sales agreement. Upon transfer of control to the franchisee, generally when the equipment has been delivered in accordance with the terms of the agreement and the Company's performance obligation has been satisfied, the Company recognizes the related equipment sales revenue and cost of revenue. Equipment in transit was $2,037,113 and $1,217,380 as of December 31, 2025 and 2024, respectively.

Sales Tax Payable

The Company collects sales taxes from customers on taxable sales and remits such amounts to the applicable state and local taxing authorities. Sales taxes collected are excluded from revenue and recorded as a liability until remitted. Sales tax payable at December 31, 2025 and 2024 were $355,265 and $239,134, respectively, and are included in accounts payable and accrued expenses on the accompanying balance sheets.

Revenue Recognition

The Company records revenue under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 606, *Revenue From Contracts With Customers*, which requires revenue to be recorded as the transfer of promised goods or services to customers in an amount that reflects the consideration to which the reporting entity expects to be entitled in exchange for those goods or services.

Franchise Fee Revenue

The Company collects nonrefundable deposits in relation to the sale of individual franchises and records them as deferred revenue as the services required to be provided by the Company have not yet been performed. The Company recognizes the associated initial franchise fee revenue as the bundled pre-opening services performance obligation is satisfied, from the execution of the agreement through the opening of the stores, with any fees in excess of the pre-opening services recognized evenly over the life of the contract. For the year ended December 31, 2025 and the period ended December 31, 2023, franchise fees of $260,417 and $1,446, respectively, were recognized. For the year ended December 31, 2024, no franchise fee revenue was recognized.

The opening and closing deferred franchise fee revenue balances are as follows:

	2025	2024	2023
Deferred franchise fee revenue	$ 1,556,137	$ 1,506,554	$ 496,554

Royalty and Brand Fund Fee Revenue

Revenue related to the Company's franchise royalties is recorded when earned based upon a percentage of the franchisee's sales in accordance with the franchise agreements. Additionally, the Company records revenues and related expenses of the brand fund on a gross basis within the statement of operations. These funds will exist solely for the purpose of promoting the Company brand with revenues being based on a percentage of the franchisee's sales in accordance with the franchise agreements. The Company recognized $222,553 in royalties and $47,410 in brand fund fees for the year ended December 31, 2025. For the year ended December 31, 2024 and the period from April 17, 2023 (Date of Inception) to December 31, 2023, no royalties or brand fund fees were recognized.

Equipment Sales Revenue

The Company conducts equipment sales agreements with its franchises, requiring all equipment to be purchased through the Company before being sent to the designated locations. Equipment sales are considered distinct performance obligations. Revenue is recognized at a point in time once equipment is delivered at designated locations, fulfilling the performance obligation. The Company has recognized $1,716,305 in equipment sales for the year ended December 31, 2025. For the year ended December 31, 2024 and period from April 17, 2023 (Date of Inception) to December 31, 2023, no equipment sales revenue was recognized.

Other Operating Revenues

The Company has certain other operating revenue including convention, retail, technology, medical admin, lease review, and optional training fees. These services are recognized at the point in time in which the performance obligation is satisfied.

General and Administrative Expenses

The Company's general and administrative expenses consist of advertising, travel, insurance, subscriptions, event, legal fees and bank/finance charges.

Advertising and Marketing Costs

Advertising costs, including general brand marketing and contributions to local advertising cooperatives which are based on a percentage of sales, will be expensed when incurred.

Franchised stores in the United States contribute to a Brand Fund that the Company manages on behalf of these stores. The Company is committed under its franchise and other agreements to spend revenues of the Brand Fund on marketing, creative efforts, or related purposes specified in the franchise agreements. Contributions to the Brand Fund will be recognized as revenue, while expenditures are included in general and administrative expenses on the statements of operations. While no profit will be recognized on amounts received by the Brand Fund, when expenditures exceed contributions to the Brand Fund on a cumulative basis, income from operations and net income may be affected due to the timing of when revenues are received and expenses are incurred. For the years ended December 31, 2025 and 2024, advertising and marketing costs totaled $124,990 and $145,296, respectively. For the period from April 17, 2023 (Date of Inception) to December 31, 2023, no advertising and marketing costs were incurred.

Income Taxes

As a single member LLC, the Company is considered a disregarded entity and the results of its operations will be filed with the Member's federal and state income tax returns. As such, the Company itself is typically not subject to an income tax liability as the taxable income or loss of the Company is passed through to the Member. Therefore, no liability for federal income taxes has been included in the financial statements.

The Company accounts for uncertain tax positions in accordance with FASB ASC 740, *Income Taxes*. ASC 740 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and also provides guidance on various related matters such as derecognition, interest, penalties and required disclosures. The Company does not have any entity-level uncertain tax positions.

Concentrations of Credit Risk

The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains its cash and cash equivalents in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk from cash and cash equivalents.

For the years ended December 31, 2025, 2024, and the period from April 17, 2023 (Date of Inception) to December 31, 2023, five, one, and one franchisees comprised approximately 96%, 18%, and 100% of total revenues, respectively. As of December 31, 2025 and 2024, five and two franchisees comprised approximately 82% and 99% of accounts receivable, respectively. A loss of one of these franchisees may result in significant disruption to the Company’s operations.

Recent Accounting Pronouncements

In June 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU introduces a new credit loss methodology, Current Expected Credit losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changed in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized.

The Company adopted ASU No. 2016-13 at inception.

Subsequent Events

The Company has evaluated subsequent events through July 23, 2026, which is the date the financial statements were available to be issued and concluded that there were no additional events or transactions that need to be disclosed.

3. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of December 31, 2025 and 2024 consisted of the following:

	2025	2024
Sales tax payable	$ 355,265	$ 239,134
Accounts payable	108,548	77,330
Payroll and vacation	96,408	129,452
Total	$ 560,221	$ 445,916

4. Deferred Franchise Fees

The majority of the Company's franchise agreements contain consideration terms for fees to be paid before the franchise is sold and operational. The fees are reflected as deferred franchise fees on the balance sheets until recognized. Upon receipt of the initial franchise fees from a franchisee, the Company recognizes it as deferred franchise fees in the amount of the payment for its performance obligation to provide franchise rights in the future. Deferred franchise fees at December 31, 2025 and 2024 were $1,556,137 and $1,506,554, respectively.

5. Deferred Equipment Fees

The Company conducts equipment sales agreements with its franchises, requiring all equipment to be purchased through the Company before being sent to the designated locations. These payments are recognized as deferred equipment fees, as the equipment sales are considered distinct performance obligations. Revenue is recognized upon the completion of the service, once the equipment has been delivered and the obligation has been fulfilled. Deferred equipment fees on December 31, 2025 and 2024 were $2,203,880 and $1,176,026, respectively.

6. Related-Party Transactions

The significant related-party transactions consist of borrowings from, and payments to, the Member and other related parties under common control of the Member to assist and fund daily operations of the Company. As of December 31, 2025 and 2024, due from related party amounted to $1,716,109 and $1,132,884, while due to related party amounted to $2,563,909 and $2,616,817, respectively.

The Company has a franchise agreement with a related party which accounted for approximately $1,148 of total revenues during the year ended December 31, 2024.

7. Commitments and Contingencies

The Company from time to time may be involved in claims and legal proceedings in the ordinary course of its business. In the opinion of management, the Company is adequately insured against such claims and any ultimate liability arising from such proceedings will not have a material adverse effect on the financial condition, operations or cash flows of the Company.

8. Member's Equity

The Company's LLC operating agreement has a perpetual life. Excess cash flow, tax liability distributions, and profits and losses are to be distributed to the Member in accordance with the operating agreement. The liability of the Company's Member is limited to the Member's specific capital balance. Upon liquidation of the Company, the net assets will be distributed to the sole member.

During the period ended December 31, 2023, the Company's Member contributed a total of $101,931.

EXHIBIT F

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OPERATIONS MANUAL TABLE OF CONTENTS

STANDARD OPERATING PROCEDURES TABLE OF CONTENTS (IN NOTION)

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EXHIBIT G

FRANCHISEE SPECIFIC TEMPLATES & FORMS

APPENDIX I

NEXT HEALTH FRANCHISING, LLC
GENERAL CONSENT & RELEASE

This General Consent & Release Agreement ("**this Agreement**") is made and entered into on ___ ____________________ (the "**Effective Date**") by and between Next Health Franchising, ("**Franchisor**") and <<Franchisee>> (collectively, "**Franchisee**") and <<Guarantor>> ("**Guarantor**"). The Franchisee and the Franchisor will sometimes be referred to as a "**Party**" and will be collectively referred to herein as the "**Parties**."

RECITALS

WHEREAS, the Franchisee and Franchisor entered into a Franchise Agreement dated <<Original Agreement Date>> (the "**Franchise Agreement**"), under which Franchisee operated <<Franchise Location>> at <<Location Address>>.

WHEREAS, the Franchise Agreement is being terminated as of <<Termination Date>>, or a mutual settlement has been reached, and the parties desire to release each other from any and all claims or obligations related to the Franchise Agreement.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Release of Franchisor by Franchisee. Franchisee, on behalf of itself and its successors, assigns, heirs, agents, and employees, hereby fully releases and forever discharges Franchisor, along with its affiliates, directors, officers, agents, employees, and representatives, from any and all claims, liabilities, demands, causes of action, damages, or obligations of any kind, whether known or unknown, which Franchisee has, had, or may have arising out of or related to the Franchise Agreement.

2. Release of Franchisee by Franchisor. Franchisor, on behalf of itself and its successors, assigns, heirs, agents, and employees, hereby fully releases and forever discharges Franchisee, along with its affiliates, directors, officers, agents, employees, and representatives, from any and all claims, liabilities, demands, causes of action, damages, or obligations of any kind, whether known or unknown, which Franchisor has, had, or may have arising out of or related to the Franchise Agreement.

3. No Admission of Liability. This Release does not constitute an admission of liability or wrongdoing by either party, and each party denies any such liability or wrongdoing.

4. Waiver of Rights Under Law. The parties expressly waive any rights under any applicable state or federal statute which may provide that a general release does not extend to claims that a party does not know or suspect to exist in its favor at the time of executing the release, which, if known, would have materially affected that party's decision to enter into this Release.

5. No Coercion. The Parties acknowledge that they are freely and voluntarily entering into this Agreement, not coerced by any person, and that they have been advised and afforded the opportunity to seek the advice of legal counsel of their choice with regard to this Agreement.

6. Non-Disparagement & Non-Disclosure. Each Party expressly covenants and agrees not to make any false representation of facts, or to defame, disparage, discredit or deprecate each other or otherwise communicate with any person or entity in a manner intending to damage each other, their business or their reputation. Franchisee and Guarantors shall not disclose to any third (3rd) party the terms of this Agreement or their franchise relationship with Franchisor, but Franchisee and Guarantors may specifically state, "I was a Next Health franchisee, but I am no longer with the franchise system and cannot discuss my former Next Health franchise."

7. Notices. Any notices given under this 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.

8. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

9. Amendments. This Agreement may not be changed or modified except in a writing signed by all of the Parties hereto

10. Fees & Costs. In any action to enforce, interpret or seek damages for violation of this Agreement, the prevailing Party shall recover all attorney's fees and litigation expenses.

11. Severability. If any provision of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

12. Authorization. Each Party warrants that each individual executing this Agreement on behalf of his/her/its respective Parties is fully authorized to do so by each of the respective Parties and each individual executing this Agreement warrants that he/she/it is acting within the scope of his or her employment and authority in executing this Agreement.

13. Counterparts & Telecopies. This Agreement may be executed in counterparts or by copies transmitted by telecopier or email, all of which shall be given the same force and effect as the original. This Agreement shall be effective when the signatures of all Parties have been affixed to counterparts or copies.

14. Entire Agreement. This Release represents the entire agreement between the parties regarding the matters herein and supersedes all prior agreements, whether written or oral. No other promises, representations, or warranties have been made to induce either party to sign this Release.

15. Governing Law. This Release shall be governed by, and construed in accordance with, the laws of the State of California without regard to its conflicts of law principles.

16. Jurisdiction. The Parties agree that any disputes relating to the enforcement of this Agreement will be governed by the dispute resolution provisions set out in the Franchise Agreement.

IF the franchise THAT FRANCHISEE WILL operate under this Agreement is located in California or ANY OF THE RELEASING PARTIES IS a resident of California, the following shall apply:

> **<u>Section 1542 Acknowledgment</u>.** IT IS FRANCHISEE'S INTENTION, ON ITS OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS RELEASE THAT THIS INSTRUMENT BE AND IS A GENERAL RELEASE WHICH SHALL BE EFFECTIVE AS A BAR TO EACH AND EVERY CLAIM, DEMAND, OR CAUSE OF ACTION RELEASED BY FRANCHISEE OR THE RELEASING PARTIES. FRANCHISEE RECOGNIZES THAT IT OR THE RELEASING PARTIES MAY HAVE SOME CLAIM, DEMAND, OR CAUSE OF ACTION AGAINST THE FRANCHISOR PARTIES OF WHICH FRANCHISEE IS TOTALLY UNAWARE AND UNSUSPECTING, WHICH FRANCHISEE IS GIVING UP BY EXECUTING THIS RELEASE. IT IS FRANCHISEE'S INTENTION, ON ITS OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, IN EXECUTING THIS INSTRUMENT THAT IT WILL DEPRIVE FRANCHISEE OF EACH SUCH CLAIM, DEMAND, OR CAUSE OF ACTION AND PREVENT FRANCHISEE FROM ASSERTING IT AGAINST THE FRANCHISOR PARTIES. IN FURTHERANCE OF THIS INTENTION, FRANCHISEE, ON ITS OWN BEHALF AND ON BEHALF OF THE RELEASING PARTIES, EXPRESSLY WAIVES ANY RIGHTS OR BENEFITS CONFERRED BY THE PROVISIONS OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, WHICH PROVIDES AS FOLLOWS:
>
> **"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**
>
> FRANCHISEE ACKNOWLEDGES AND REPRESENTS THAT IT HAS CONSULTED WITH LEGAL COUNSEL BEFORE EXECUTING THIS RELEASE AND THAT IT UNDERSTANDS ITS MEANING, INCLUDING THE EFFECT OF SECTION 1542 OF THE CALIFORNIA CIVIL CODE, AND EXPRESSLY CONSENT THAT THIS RELEASE SHALL BE GIVEN FULL FORCE AND EFFECT ACCORDING TO EACH AND ALL OF ITS EXPRESS TERMS AND PROVISIONS, INCLUDING, WITHOUT LIMITATION, THOSE RELATING TO THE RELEASE OF UNKNOWN AND UNSUSPECTED CLAIMS, DEMANDS, AND CAUSES OF ACTION.

Any general release provided hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any general release provided hereunder shall not apply to any liability under the Minnesota Franchise Act.

Any general release provided hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, and the rules adopted thereunder.

IN WITNESS WHEREOF, the parties hereto have executed this General Release Agreement as of the date first (1st) written above.

FRANCHISOR

____

By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

FRANCHISEE

____

By: <<Franchisee>>
<<Position>> of
<<Entity>>

APPENDIX II
NEXT HEALTH FRANCHISING, LLC
LEASE RIDER

THIS NEXT HEALTH LEASE RIDER (this "**Rider**") is effective as of__________________________ (the "**Effective Date**"), and is being signed simultaneously with the Lease dated _____________________ _____________ (the "**Lease**") between _________________________________ (the "**Franchisee**" or "**Tenant**") and ____ (the "**Landlord**") for the real property commonly known as _____________________________ (the "**Premises**").

1. Incorporation & Precedence. This Rider is incorporated into the Lease and supersedes any conflicting provisions in it. Capitalized terms not otherwise defined in this Rider have the meanings as defined in the Lease.

2. Background. The Tenant will operate a Next Health® Center at the Premises under a Franchise Agreement dated (the "**Franchise Agreement**") with Next Health Franchising LLC (the "**Franchisor**"). By entering into a franchise relationship with the Franchisor, the Tenant has agreed to grant the Franchisor a security interest in the Lease and all of the furniture, fixtures, inventory and supplies located in the Premises as collateral for the payment of any obligation, liability or other amount owed by the Tenant or its affiliates to the Franchisor under the Franchise Agreement. Under the Franchise Agreement, Tenant is required to secure Franchisor's consent to the Lease prior to executing the Lease. As a condition to the grant of its consent, Franchisor requires that the Lease contain certain provisions that the Tenant is requesting the Landlord to include.

3. Collateral Assignment. Tenant hereby collaterally assigns the Lease to Franchisor, and Landlord consents to the collateral assignment of the Lease by Tenant to Franchisor, as security for Tenant's obligations under the Franchise Agreement. Landlord agrees that, pursuant to the collateral assignment or as a result of Franchisor's exercise of its rights and remedies under the Franchise Agreement, Franchisor or its affiliate may, upon a default by Tenant under the Lease or the Franchise Agreement and/or a termination of the Franchise Agreement, (i) succeed to Tenant's interest in the Lease, or (ii) assign its rights to succeed to its affiliate or another Next Health franchisee and have the affiliate or Next Health franchisee succeed to Tenant's interest in the Lease.

3.1 If Tenant's interest in the Lease is assigned to Franchisor or Franchisor's affiliate, Landlord's consent to the assignment will not be required, but Franchisor will provide Landlord with prior written notice of the assignment and assumption. In the event Franchisor succeeds to Tenant's interest in the Lease and subsequently assigns the Lease to Franchisor's affiliate or another Next Health franchisee, Landlord's consent to the assignment will not be required provided the franchisee meets the criteria in Section 3.2 below, but Franchisor will provide Landlord with prior written notice of the assignment and assumption. In such event, Franchisor shall be released from all Lease obligations accruing after the date of assignment.

3.2 If Tenant's interest in the Lease is proposed to be assigned to another Next Health franchisee, Landlord's prior written consent to the assignment will not be required, but Franchisor will provide Landlord with prior written notice of the assignment and assumption, if all of the following criteria are met: (i) Franchisor has an established franchising program for Next Health Centers; (ii) the proposed franchisee has met all of Franchisor's applicable program criteria and requirements and has executed Franchisor's standard franchise agreement; (iii) such assignee assumes all of the terms and conditions of the Lease; and (iv) such franchisee has submitted to Landlord its financial statements and has an equal or greater net worth than One million, six hundred thousand and 00/100 Dollars ($1,600,000.00) with at least Six hundred thousand and

00/100 Dollars ($600,000.00) in liquid assets. Unless otherwise agreed by Landlord, Tenant and any Guarantor shall remain liable and shall not be afforded any release in the event the Lease is assigned to Franchisor, its affiliate or another Next Health franchisee pursuant to the collateral assignment.

4. Proprietary Marks & Signage. Subject to applicable zoning laws, Landlord consents to Tenant's installation and use of such trademarks, service marks, signs, decor items, color schemes and related components which from time to time comprise the Next Health franchise system. The Landlord grants to the Tenant during the term of the Lease a non-exclusive right and easement over that portion of the property as may be required by the Tenant to improve, renovate, repair, replace and maintain the Premises or to install, replace, or remove its signage or its panel on the pylon and/or monument sign for the property.

5. Franchisor's Right to Receive Information. Landlord shall provide Franchisor with such sales and other information obtained or received by Landlord, relating to the operation of the Next Health Center, as Franchisor may request in writing.

6. Access to Premises. During the term of the Lease, the Landlord and Tenant acknowledge and agree that the Franchisor will have unrestricted access to the Premises to inspect the Premises and Tenant's business operations in accordance with the Franchise Agreement.

7. Copies of Reports. The Landlord agrees to provide copies of all Tenant's revenue and other information and data in Landlord's possession, if any, related to the operation of the Tenant's Next Health Center on a timely basis as the Franchisor may reasonably request, during the term of the Lease.

8. Notice of Default. The Landlord will give written notice to the Franchisor (concurrently with the giving of such notice to the Tenant) of any defaults (a "**Default**") by the Tenant under the Lease by certified mail, return receipt requested, or by nationally recognized overnight courier service, at the following address or to such other address as the Franchisor may provide to Landlord from time to time:

NEXT HEALTH FRANCHISING LLC
8560 West Sunset Boulevard, Suite 650
West Hollywood, CA 90069
Attention: Legal Department

Such notice will grant the Franchisor the right, but not the obligation, to cure any Default, if the Tenant fails to do so, within fifteen (15) days (or such longer period as may be reasonably required to cure such Default provided the Franchisor commences such cure within such fifteen (15) day period and diligently pursues such cure to completion) after the expiration of the period in which the Tenant may cure the Default under the Lease.

9. Franchisor's Right to Cure. If Tenant defaults under the Lease, Franchisor shall have the right, but not the duty, to cure such default for an additional fifteen (15) days after the expiration period during which Tenant may cure such default, if any period exists under the Lease.

10. Franchisor's Right to Use of Assets. Upon commencement of occupancy, Franchisor and its Assignee may have the right use all assets left within / on the premises until proper legal ownership of said assets has been determined. At which time, Franchisor shall choose to exercise its rights, as stated in Section 10 of this Agreement.

11. Franchisor's Right to Remove Proprietary Marks from Premises. Upon the expiration or termination of the term of the Lease, or upon termination or expiration of the Franchise Agreement if Franchisor does not elect to take possession of the Premises pursuant to Section 7, Franchisor shall have the right to enter upon the Premises and remove all proprietary marks, signs, décor items, color schemes, graphic packages, trade dress and other related components of Franchisor's system therefrom, provided that Franchisor repairs any damage occasioned by such removal.

12. Franchisor's Right to Purchase Assets. In the event (i) Franchisor cures a default of Tenant pursuant to Paragraph 6, or (ii) Tenant defaults beyond any applicable cure period under the Franchise Agreement, or (iii) the Franchise Agreement is terminated or expires, Franchisor, upon prior written notice to Landlord but without the necessity of obtaining Landlord's consent, may execute its right of first (1^{st}) refusal to purchase any and all assets left on the premises by Tenant from the legal owner of said assets, for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third (3^{rd}) party, three (3) independent appraisers shall be designated in the following manner: Legal Owner shall select one (1), Franchisor shall select one (1), and the two (2) appraisers so chosen shall select a third (3^{rd}) appraiser. The decision of the majority of the appraisers so chosen shall be conclusive and binding. The parties shall share the cost of the third (3^{rd}) appraiser equally.

13. Assignment & Assumption of Lease. The Tenant shall have the right, at any time during the term of the Lease and any extensions or renewals thereof, to assign all of its right, title and interest in the Lease to the Franchisor, to an affiliate of Franchisor, or to another Next Health franchisee, subject to the terms and condition described in paragraph 3 above regarding Landlord's notice or consent. The assignment will be effective upon the assignee's providing Landlord written notice of its acceptance of the assignment (the "**Assignment Notice**"). The Landlord will recognize the assignee as the lessee of the Premises effective as of the date of the Assignment Notice. No assignment shall be, and nothing contained herein or in any other document shall make the Franchisor a party to the Lease, or a guarantor thereof, and shall not create any liability or obligation of the Franchisor unless and until the Lease is assigned to, and accepted in writing by, the Franchisor. Upon any assignment to Franchisor, the term "assignment" under the Lease shall specifically exclude any change of control, sale of substantially all assets or equity, or merger of the Franchisor.

14. Amendment. The Landlord and the Tenant will not cancel, terminate (including Tenant's voluntary surrender), modify or amend the Lease including, without limitation, the Franchisor's rights under this Rider, without the Franchisor's prior written consent, which will not be unreasonably withheld, conditioned, or delayed, and any such attempted cancellation, termination, modification, acceptance of surrender or amendment without the Franchisor's consent shall be null and void and have no effect as to the Franchisor's interest thereunder. Tenant agrees to promptly provide Franchisor with copies of all proposed modifications or amendments and true and correct copies of the signed modifications and amendments.

15. Financing of Trade Fixtures by Franchisor & Security Interest. Any security interest or Landlord's lien in Tenant's trade fixtures, 'trade dress', equipment and other personal property in the Premises is hereby subordinated to any security interest and pledge granted to Franchisor in such items. The parties acknowledge that there may be certain personal property in the Premises which are not owned by Tenant, which property shall not be subject to any lien of Landlord. Upon request, Landlord shall grant the party who owns such property reasonable access to the Premises for the sole purpose of removing such property, provided such party repairs any damage caused by such removal and otherwise complies with Landlord's reasonable requirements with respect to such access.

16. Relationship of Tenant & Franchisor. The Landlord acknowledges that the Tenant is not an agent or employee of the Franchisor and the Tenant has no authority or power to act for, or to create any liability on behalf of, or to in any way bind the Franchisor or any affiliate of the Franchisor, and that the Landlord has entered into this Rider with the full understanding that it creates no duties, obligations or liabilities of or against the Franchisor or any of its affiliates.

17. Estoppel Certificate. The Landlord shall from time to time, within twenty (20) days after written request by the Franchisor, execute, acknowledge and deliver to the Franchisor a written certification, in a form reasonably satisfactory to the Franchisor: (i) that the Lease is unmodified and in full force and effect (or, if there has been any modification, stating the nature of such modification); (ii) as to the dates to which the rent and other charges arising under the Lease have been paid; (iii) as to the amount of any prepaid rent or any credit due to the Tenant under the Lease, (iv) the date on which the term of the Lease commenced; (v) as to whether, to the best of its knowledge, information and belief of the Landlord, the Landlord or the Tenant is then in default in performing any of its obligations under the Lease (and, if so, specifying the nature of each such default); and (vi) as to any other fact or condition reasonably requested by the Franchisor.

18. Tenant Use. Tenant shall use the Premises only for the purpose of operating a Next Health Center, which offers medical services, without limitation, NAD Therapy, IV Therapy, Cryotherapy, Infrared Therapy, Hyperbaric Oxygen Therapy, Hormone Optimization, Ozone Therapy, and Aesthetics and for no other purpose.

19. Benefits & Successors. The benefits of this Rider inure to the Franchisor and to its successor and assigns.

20. Remaining Provisions Unaffected. Those parts of the Lease that are not expressly modified by this Rider remain in full force and effect.

21. Counterparts. This Rider may be executed in one or more counterparts, each of which shall cumulatively constitute an original. PDF/Faxed signatures of this Rider shall constitute originals of the same.

Intending to be bound, the Landlord and the Tenant sign and deliver this Rider effective on the Effective Date, regardless of the actual date of signature.

LANDLORD	**TENANT**
______________________________	______________________________
Address:______________________	Address:______________________
______________________________	______________________________
Phone:______________________	Phone:______________________
By:__________________________	By:__________________________
Name:________________________	Name:______________________
Title:_________________________	Title:_________________________

FRANCHISOR

NEXT HEALTH FRANCHISING, LLC
8560 West Sunset Boulevard
Suite 650
West Hollywood, CA 90069
(310) 295-2075 office

____
By: Scott Svilich
Chief Operating Officer

EXHIBIT H

STATE RIDERS & ADDENDA

ADDITIONAL DISCLOSURES FOR THE NEXT HEALTH FRANCHISE DISCLOSURE DOCUMENT

The following are additional disclosures for the Franchise Disclosure Document of Next Health Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, OR WISCONSIN.

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.

CALIFORNIA

1. 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

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT AT LEAST 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.

3. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR AREA DEVELOPMENT AGREEMENT OR FRANCHISE AGREEMENT.

4. OUR WEBSITE, www.next-health.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

5. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, 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; or (d) violations of any provision of this division.

6. In registering this franchise, 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. 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 any other agency overseeing the practice of medicine 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 Next Health Center in California. This may result in the termination of your franchise and loss of your investment.

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

"Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange."

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

"We have posted a surety bond in the amount of $160,000.00 from United States Fire Insurance Company. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Center. A copy of that surety bond is on file with the California Department of Financial Protection and Innovation."

9. The following sentence is added to the end of Item 6:

"*The highest rate of interest allowed by California law is 10% annually."*

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

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

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

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

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

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

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

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

11. The following paragraph is added to the end of Item 19:

"The financial performance representations figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Center. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information."

HAWAII

1. THESE FRANCHISES WILL BE/HAVE 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 HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST (1st) PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST (1st), A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS 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 THE FRANCHISOR AND THE FRANCHISEE.

ILLINOIS

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.

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

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

to Franchisor's financial condition. "

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

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

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

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

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

MARYLAND

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with this franchise.

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

"Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first (1st) franchise under the Area Development Agreement opens."

2. The following is added to the end of the "Summary" sections of Item 17.3, entitled "Requirements for franchisee to renew or extend," and Item 17(m), entitled "Conditions for franchisor approval of transfer:"

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

3. The following is added to the end of the "Summary" section of Item 17(h), entitled "Cause" defined – non-curable defaults:"

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

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

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

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

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

MINNESOTA

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.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with this franchise.

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

"*If you are a resident of the State of Minnesota or your Center will operate in the State of Minnesota then you must enter into a Management Agreement with the Medical Service Manager, or such other professional corporation designated or approved by us that is authorized to provide and supervise Medical Services in the State of Minnesota."*

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

"*Based upon our financial condition, the Minnesota Securities Registration Division has required that we provide a financial assurance. Therefore, payment of all initial fees and other payments owed by you to us or our affiliates (except the reasonable wholesale price of any items we or our affiliates sell to you) will be deferred until your Center opens and we have completed our pre-opening obligations under the Franchise Agreement or the Area Development Agreement."*

3. The following is added to the "Remarks" column of the Item 6-line item entitled "Insufficient Funds Service Fee:"

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

4. The Item 6-line item entitled "Lost Revenue Damages" will not be enforced to the extent prohibited by applicable law.

5. The following is added at the end of the chart in Item 17:

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

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

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

Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable."

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

"INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE

FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE AREA DEVELOPER OR FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS DISCLOSURE DOCUMENT."

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

"With regard to us, our parent, predecessor or affiliate, the persons identified in Item 2, or any affiliate offering franchises under our principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent."

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

"*None of the franchisor, its affiliates, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership."*

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

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

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

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

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

"You may terminate the Area Development Agreement or Franchise Agreement on any grounds available by law."

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

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

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

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

9. 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.

10. Receipts - Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

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

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

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

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

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

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

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

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

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

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

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

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

> *"Except as otherwise required by North Dakota law, the laws of the state where we or, as applicable, our successor or assign, maintains its principal place of business (currently West Hollywood, CA) will apply."*

RHODE ISLAND

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

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

SOUTH DAKOTA

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

> "*The South Dakota Department of Labor & Relations' Division of Securities requires us to defer the payment of all Initial Franchise Fee and other payments you owe to us under the Franchise Agreement until your Center is operational. If you sign an Area Development Agreement, no Development Fee will be due to us until we have completed all of our pre-opening obligations to you under the Area Development Agreement and until the first (1^{st}) franchise under the Area Development Agreement opens."*

VIRGINIA

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

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

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

3. The following risk factor is added to the list of "Special Risks to Consider About *This* Franchise":

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

4. The following terms will apply to the franchise offered hereby as required by applicable law if and only if the franchise is granted on or after July 1, 2026:

> 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.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN CALIFORNIA

THIS CALIFORNIA RIDER (this “Rider”) is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 (“Franchisor”), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> (“Franchisee”).

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

2. Acknowledgement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Certain Fees. The following language is added as Section 3.1 (“Initial Franchise Fee”) to the Franchise Agreement:

> We have posted a surety bond in the amount of $160,000.00 from United States Fire Insurance Company. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have begun operating the Center. A copy of that surety bond is on file with the California Department of Financial Protection and Innovation.

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

FRANCHISOR

____
By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

FRANCHISEE

____
By: <<Principal Operator>>
<<Title>> of
<<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN HAWAII

THIS HAWAII RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and you are parties to that certain Franchise Agreement dated ______________________ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) the offer for the franchise was made or accepted in the State of Hawaii and the Next Health Center that you will operate under the Franchise Agreement will be located in Hawaii, or (b) you are domiciled in the State of Hawaii.

2. Acknowledgement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Certain Fees. The following language is added as Section 3.1 ("Initial Franchise Fee") to the Franchise Agreement:

> *"Notwithstanding anything to the contrary in this Agreement, Franchisor will defer the collection of initial franchise fees you owe Franchisor under this Agreement until Franchisor has fulfilled all of its pre-opening obligations to you and your Center is open for business in accordance with the terms of this Agreement."*

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

FRANCHISOR

____
By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

FRANCHISEE

____
By: <<Principal Operator>>
<<Title>> of
<<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS ILLINOIS RIDER (this “Rider”) is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 (“Franchisor”), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> (“Franchisee”).

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

2. Financial Assurance. The following language is added to the end of Section 3.1 of the Franchise Agreement:

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

3. Waiver of Punitive Damages, Class Action Bar & Jury Trial; Limitation of Claims. The following language is added to the end of Sections 17.4 and 17.7 of the Franchise Agreement:

> “*However, in conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.”*

4. Illinois Franchise Disclosure Act. The following language is added to the end of the Franchise Agreement and supersede any conflicting provisions in the Franchise Agreement:

> “*Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement.*
>
> *Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.*
>
> *Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.*
>
> *Franchisee’s rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.”*

5. ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING

AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

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

FRANCHISOR	FRANCHISEE
________________________________	________________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS MARYLAND RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ___________________________ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of Maryland, (b) the Next Health Center that Franchisee will operate under the Franchise Agreement will be located in the State of Maryland, or (c) the offer for the franchise was made or accepted in the State of Maryland.

2. Financial Assurance. The following is added to the end of Section 3.1 ("Initial Franchise Fee") of the Franchise Agreement:

"*Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under this Agreement.*"

3. Releases. The following is added to the end of Section 12.3.8 ("Conditions for Approval of Transfer"), Section 13.1.7 ("Franchisee's Right to Acquire a Successor Franchise"), Section 13.2 ("Grant of a Successor Franchise"), and Section 15.2.2 ("Franchisor's Right to Purchase Franchisee's Center") of the Franchise Agreement:

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

4. Insolvency. The following sentence is added to the end of Section 14.2.13 ("Termination of Agreement – By Franchisor") of the Franchise Agreement:

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

5. Arbitration. The following paragraph is added at the end of Section 17.1 ("Enforcement - Arbitration") of the Franchise Agreement:

"*A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.*"

6. Governing Law. The following paragraph is added at the end of Section 17.3 ("Governing Law") of the Franchise Agreement:

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

7. Consent to Jurisdiction; Limitations of Claims. The following language is added to the end of Section 17.2 ("Consent to Jurisdiction") and Section 17.7 ("Limitations of Claims") of the Franchise Agreement:

"*Franchisee must bring an action in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within three (3) years after Franchisor grant Franchisee the franchise.*"

8. Maryland Law. All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

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

FRANCHISOR	FRANCHISEE
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS MINNESOTA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________ (the "Franchise Agreement"). This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of the State of Minnesota, (b) the Next Health Center that Franchisee will operate under the Franchise Agreement will be located in State Minnesota, and/or (c) the offer to sell the franchise for the Next Health Center was made or accepted in the State of Minnesota.

2. Acknowledgement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Corporate Practice of Medicine. Minnesota has adopted the corporate practice of medicine doctrine, which prohibits corporations other than professional associations and non-profit corporations from practicing medicine. This franchise may be at risk of violation of the corporate practice of medicine doctrine, which could result in the possible loss of a franchisee's investment, due to, for among other reasons, the use of a for-profit business entity operating a medical services business; and the franchisor's refusal to warrant that the Medical Services Manager and Medical Director will be organized and will operate in accordance with Minnesota law. Prospective franchisees should consult an attorney experienced in this area of Minnesota law prior to signing an agreement to ensure that the franchise relationship and operation do not violate Minnesota law.

I have read and understood the above disclaimer.Initials: _____________

4. Financial Assurance. The following is added to the end of Section 3.1 ("Initial Franchise Fee") of the Franchise Agreement:

> *"Based upon Franchisor's financial condition, the Minnesota Securities Registration Division has required that Franchisor provide a financial assurance. Therefore, payment of all initial fees and other payments owed by Franchisee to Franchisor or its affiliates will be deferred until Franchisee's Center opens and Franchisor has completed its pre-opening obligations under this Agreement."*

5. Management Agreement. The last sentence of sub-paragraph (2) titled "Medical Director" under Section 8.1 ("Certain Required Personnel") is deleted in its entirety.

6. Non-Disparagement. The following sentence is added to the end of Section 5.5 ("Non-Disparagement") of the Franchise Agreement:

"Provided Franchisee has complied with all provisions of this Agreement applicable to the Marks, Franchisor will protect Franchisee's right to use the Marks and will indemnify Franchisee from any loss, cots or expenses arising out of any claims, suits or demands regarding Franchisee's use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g)."

7. Non-Competition. Section 7 ("Competition and Interference During Term") and Section 15.1.7 ("Rights and Obligations on Termination or Expiration – Franchisee's Obligations") of the Franchise Agreement will not be enforced to the extent prohibited by applicable law.

8. Releases. The following is added to the end of Section 12.3.8 ("Conditions for Approval of Transfer"), Section 13.1.7 ("Franchisee's Right to Acquire a Successor Franchise"), Section 13.2 ("Grant of a Successor Franchise"), and Section 15.2.2 ("Franchisor's Right to Purchase Franchisee's Center") of the Franchise Agreement:

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

9. Franchisee's Right to Acquire a Successor Franchise & Termination of Agreement. The following is added to the end of Section 13.1 ("Franchisee's Right to Acquire a Successor Franchise") and Section 14.2 ("Termination of Agreement – By Franchisor") of the Franchise Agreement:

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

10. Lost Revenue Damages. The following language is added to the end of Section 15.3 ("Lost Revenue Damages") of the Franchise Agreement:

"*Franchisor and Franchisee acknowledges that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400(J). However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.*

11. Consent to Jurisdiction. The following language is added to the end of Section 17.2 ("Consent to Jurisdiction") of the Franchise Agreement:

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

12. Governing Law. The following statement is added at the end of Section 17.3 ("Governing Law") of the Franchise Agreement:

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

13. Waiver of Punitive Damages, Class Action Bar & Jury Duty. If and then only to the extent required by the Minnesota Franchises Law, Section 17.4 (“Waiver of Punitive Damages, Class Action Bar, and Jury Trial”) and Section 17.7 (“Limitations of Claims”) of the Franchise Agreement are deleted.

14. Injunctive Relief. The following is added to the end of Section 17.5 (“Injunctive Relief”) of the Franchise Agreement:

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

15. Limitations of Claims. Subject to Paragraph 10 of this Rider, the following is added to the end of Section 17.7 (“Limitations of Claims”) of the Franchise Agreement:

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

16. Service Charges. Notwithstanding anything to the contrary, NSF checks and related interest and attorneys’ fees are governed by Minnesota Statute § 604.113, which puts a cap of Thirty and 00/100 Dollars ($30.00) on initial service charges and requires notice and opportunity to cure prior to assessing interest and attorneys’ fees.

17. Minnesota Law. Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

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

FRANCHISOR	FRANCHISEE
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS NEW YORK RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ________________________________, (the "Franchise Agreement"). This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of New York and the Next Health Center that Franchisee will operate under the Franchise Agreement will be located in State of New York, and/or (b) the offer to sell the franchise for Franchisee's Next Health Center was made or accepted in the State of New York.

2. Transfer by Franchisor. The following language is added to the end of Section 12.1 ("Transfer – By Franchisor") of the Franchise Agreement:

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

3. Release. The following is added to the end of Section 12.3.8 ("Conditions for Approval of Transfer"), Section 13.1.7 ("Franchisee's Right to Acquire a Successor Franchise"), Section 13.2 ("Grant of a Successor Franchise"), and Section 15.2.2 ("Franchisor's Right to Purchase Franchisee's Center") of the Franchise Agreement:

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

4. Termination by Franchisee. The following language is added to the end of Section 14.1 ("Termination of Agreement – By Franchisee") of the Franchise Agreement:

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

5. Consent to Jurisdiction; Governing Law. The following statement is added at the end of Section 17.2 ("Consent to Jurisdiction") and Section 17.3 ("Governing Law") of the Franchise Agreement:

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

6. Franchise Questionnaires and Acknowledgements-- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. *Receipts*-- Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

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

FRANCHISOR

By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

FRANCHISEE

By: <<Principal Operator>>
<<Title>> of
<<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS NORTH DAKOTA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________(the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of North Dakota and the Next Health Center that Franchisee will operate under the Franchise Agreement will be located or operated in the State of North Dakota; and/or (b) the offer to sell the franchise for Franchisee's Next Health Center was made or accepted in the State of North Dakota.

2. Financial Assurance. The following is added to the end of Section 3.1 ("Initial Franchise Fee") of the Franchise Agreement:

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

3. Non-Competition. The following is added to the end of Section 7 ("Competition and Interference During Term") and Section 15.1.7 ("Rights and Obligations on Termination or Expiration – Franchisee's Obligations") of the Franchise Agreement:

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

4. Releases. The following is added to the end of Section 12.3.8 ("Conditions for Approval of Transfer"), Section 13.1.7 ("Franchisee's Right to Acquire a Successor Franchise"), Section 13.2 ("Grant of a Successor Franchise"), and Section 15.2.2 ("Franchisor's Right to Purchase Franchisee's Center") of the Franchise Agreement:

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

5. Covenant Not to Compete. The following is added to the end of Section 7 ("Competition and Interference During Term"), Section 15.1.7 ("Rights and Obligations on Termination or Expiration – Franchisee's Obligations") and Section 15.4 ("Continuing Obligations on Termination or Expiration") of the Franchise Agreement:

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

6. Lost Revenue Damages. The following language is added to the end of Section 15.3

("Lost Revenue Damages") of the Franchise Agreement:

"Franchisor and Franchisee acknowledges that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

7. Dispute Resolution; Arbitration. The following is added to the end of Section 17.1 ("Enforcement – Arbitration") of the Franchise Agreement:

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

8. Consent to Jurisdiction. The following is added to the end of Section 17.2 ("Consent to Jurisdiction") of the Franchise Agreement:

"*Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to Franchisee's arbitration obligations, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law."*

9. Governing Law. The following is added to Section 17.3 ("Governing Law") of the Franchise Agreement:

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

10. Waiver of Punitive Damages, Class Action Bar & Jury Trial. To the extent required by the North Dakota Franchise Investment Law, Section 17.4 ("Waiver of Punitive Damages, Class Action Bar, and Jury Trial") and Section 17.7 ("Limitations of Claims") of the Franchise Agreement are deleted. Otherwise, the following is added to the end of Section 17.4 and Section 17.7:

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

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

FRANCHISOR	FRANCHISEE
____________________________	____________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RHODE ISLAND RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________(the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Rhode Island and the Next Health Center that Franchisee will operate under the Franchise Agreement will be located or operated in the State of Rhode Island; and/or (b) the offer to sell the franchise for Franchisee's Next Health Center was made or accepted in the State of Rhode Island.

2. Governing Law. The following language is added to the end of Section 17.3 ("Governing Law") of the Franchise Agreement:

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

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

FRANCHISOR	FRANCHISEE
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN SOUTH DAKOTA

THIS SOUTH DAKOTA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________(the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of South Dakota and the Next Health Center that Franchisee will operate under the Franchise Agreement will be located or operated in the State of South Dakota; and/or (b) the offer to sell the franchise for Franchisee's Next Health Center was made or accepted in the State of South Dakota.

2. Financial Assurance. The following language is added to the end of Section 3.1 ("Initial Franchise Fee") of the Franchise Agreement:

> *"The South Dakota Department of Labor & Relations' Division of Securities requires Franchisor to defer the payment of all Initial Franchise Fee and payments Franchisee owes to Franchisor until Franchisee's Center is operational."*

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

FRANCHISOR	FRANCHISEE
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN VIRGINIA

THIS VIRGINIA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________(the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Virginia and the Next Health Center that Franchisee will operate under the Franchise Agreement will be located or operated in the State of Virginia; and/or (b) the offer to sell the franchise for Franchisee's Next Health Center was made or accepted in the State of Virginia.

2. Financial Assurance. The following language is added to the end of Section 3.1 ("Initial Franchise Fee") of the Franchise Agreement:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

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

FRANCHISOR	FRANCHISEE
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Franchisee Entity>>

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE AREA DEVELOPMENT AGREEMENT

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN CALIFORNIA

THIS CALIFORNIA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated __________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of California and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of California; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of California.

2. Acknowledgement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Development Fee. The following is added at the end of Section 2 ("Development Fee") of the Area Development Agreement**:**

> We have posted a surety bond in the amount of $160,000.00 from United States Fire Insurance Company. The terms of the surety bond will remain in effect until we have completed all of our initial obligations to you under the Area Development Agreement and you have begun operating the Center. A copy of that surety bond is on file with the California Department of Financial Protection and Innovation.

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

FRANCHISOR	AREA DEVELOPER
__________________________________	__________________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of << Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN HAWAII

THIS HAWAII RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Franchisee>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Franchisee").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated __________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of Hawaii and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of Hawaii; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of Hawaii.

2. Acknowledgement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Development Fee. The following is added at the end of Section 2 ("Development Fee") of the Area Development Agreement**:**

> *Notwithstanding anything to the contrary in this Agreement, we will defer the collection of the Development Fee. Instead paying the Development Fee in lump sum for all the Stores you are required to open under the Development Schedule, you must pay us the Development Fee for each Center as on the date such Center opens of business.*

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

FRANCHISOR	AREA DEVELOPER
________________________________	________________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of << Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

THIS ILLINOIS RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated __________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of Illinois and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of Illinois; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of Illinois.

2. Financial Assurance. The following language is added to the end of Section 2 ("Development Fee") of the Development Agreement:

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

3. Waiver of Punitive Damages, Class Action Bar & Jury Trial; Limitations of Claims. The following language is added to the end of Section 8.4 ("Waiver of Punitive Damages, Class Action Bar, and Jury Trial") and Section 8.7 ("Limitations of Claims") of the Development Agreement:

However, in conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

4. Illinois Franchise Disclosure Act. The following language is added to the end of Section 9 of the Development Agreement:

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

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

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

Your rights upon termination and non-renewal of the Development Agreement are subject to *sections 19 and 20 of the Illinois Franchise Disclosure Act.*

5. ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

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

FRANCHISOR	AREA DEVELOPER
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

THIS MARYLAND RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated __________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of Maryland and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of Maryland; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of Maryland.

2. Financial Assurance. The following sentence is added to the end of Section 2 ("Development Fee") of the Development Agreement:

> *Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first (1st) franchise under the Development Agreement opens.*

3. Releases. The following sentence is added to the end of Sections 4.3.5 ("Conditions for Approval of Transfer") of the Development Agreement:

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

4. Insolvency. The following sentence is added to the end of Section 5.2.5 ("Termination of Agreement – By Franchisor") of the Development Agreement:

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

5. Arbitration. The following paragraph is added at the end of Section 8.1 ("Enforcement – Arbitration") of the Development Agreement:

> *A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee or area developer to waive its right to file a lawsuit in Maryland claiming a violation of Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.*

6. Governing Law. The following is added to the end of Section 8.2 ("Governing Law") of

the Development Agreement:

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

7. Limitations of Claims. The following sentence is added to the end of Section 8.7 ("Limitations of Claims") of the Development Agreement:

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

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

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

FRANCHISOR	AREA DEVELOPER
____________________________	____________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

THIS MINNESOTA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated __________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of Minnesota and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of Minnesota; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of Minnesota.

2. Acknowledgement. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Corporate Practice of Medicine. Minnesota has adopted the corporate practice of medicine doctrine, which prohibits corporations other than professional associations and non-profit corporations from practicing medicine. This franchise may be at risk of violation of the corporate practice of medicine doctrine, which could result in the possible loss of a franchisee's investment, due to, for among other reasons, the use of a for-profit business entity operating a medical services business; and the franchisor's refusal to warrant that the Medical Services Manager and Medical Director will be organized and will operate in accordance with Minnesota law. Prospective franchisees should consult an attorney experienced in this area of Minnesota law prior to signing an agreement to ensure that the franchise relationship and operation do not violate Minnesota law.

I have read and understood the above disclaimer.Initials: _____________

4. Financial Assurance. The following is added to the end of Section 2 ("Initial Franchise Fee") of the Development Agreement:

Based upon our financial condition, the Minnesota Securities Registration Division has required that we provide a financial assurance. Therefore, payment of all initial fees and other payments owed by you to us or our affiliates will be deferred until your Center opens and we have completed our pre-opening obligations under this Agreement.

5. Releases. The following is added to the end of Section 4.3.5 ("Conditions for Approval of Transfer") of the Development Agreement:

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

6. Events of Termination. The following is added to the end of Section 5.2 ("Termination of Agreement – By Franchisor") of the Development Agreement.

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

7. Governing Law. The following statement is added at the end of Section 8.2 ("Governing Law") of the Development Agreement:

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

8. Consent to Jurisdiction. The following language is added to the end of Section 8.3 ("Consent to Jurisdiction") of the Development Agreement.

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

9. Waiver of Punitive Damages, Class Action Bar & Jury Trial. If and then only to the extent required by the Minnesota franchises law, Section 8.4 ("Waiver of Punitive Damages, Class Action Bar, and Jury Trial") of the Development Agreement is deleted.

10. Injunctive Relief. The following language is added to the end of Section 8.5 ("Injunctive Relief") of the Development Agreement:

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

11. Limitations of Claims.. The following is added to 8.7 ("Limitations of Claims") of the Development Agreement:

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

12. Minnesota Law. Minnesota Rule 2860.4400(G) prohibits a franchisor from imposing on a franchisee by contract or rule, whether written or oral, any standard of conduct that is unreasonable.

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

FRANCHISOR AREA DEVELOPER

By: Scott Svilich
Chief Operating Officer of
Next Health Franchising, LLC

By: <<Principal Operator>>
<<Title>> of
<< Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

THIS NEW YORK RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated __________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of New York and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of New York; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of New York.

2. Transfer by Franchisor. The following language is added to the end of Section 4.1 ("Transfer – By Franchisor") of the Development Agreement:

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

3. Releases. The following is added to the end of Section 4.3.5 ("Conditions for Approval of Transfer") of the Development Agreement:

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

4. Termination by Franchisee. The following language is added to the end of Section 5.1 ("Termination – By Franchisee") of the Development Agreement:

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

5. Consent to Jurisdiction; Governing Law. The following is added to the end of Section 8.2 ("Governing Law") and Section 8.3 ("Consent to Jurisdiction") of the Development Agreement:

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

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

FRANCHISOR	AREA DEVELOPER
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of <<Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA

THIS NORTH DAKOTA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated _________________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of North Dakota and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of North Dakota; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of North Dakota.

2. Financial Assurance. The following is added to the end of Section 2 ("Development Fee") of the Development Agreement:

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

3. Releases. The following is added to the end of Sections 4.3.5 ("Conditions for Approval of Transfer") of the Development Agreement:

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

4. Dispute Resolution; Arbitration. The following is added to the end of Section 8.1 ("Enforcement – Arbitration") of the Development Agreement:

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

5. Governing Law. The following is added to Section 8.2 ("Governing Law") of the Development Agreement:

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

6. Consent to Jurisdiction. The following is added to the end of Section 8.3 ("Consent to Jurisdiction") of the Development Agreement:

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

North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. Waiver of Punitive Damages, Class Action Bar & Jury Trial. To the extent required by the North Dakota Franchise Investment Law, Section 8.4 ("Waiver of Punitive Damages, Class Action Bar, and Jury Trial") of the Development Agreement is deleted.

8. Limitations of Claims. The following is added 8.7 ("Limitations of Claims") of the Development Agreement:

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

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

FRANCHISOR	AREA DEVELOPER
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of << Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

THIS RHODE ISLAND RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Area Development Agreement dated ______________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of Rhode Island and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of Rhode Island; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of Rhode Island.

2. Consent to Jurisdiction. The following is added at the end of Section 8.3 ("Consent to Jurisdiction") of the Development Agreement:

> *"Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "a provision in a [development] 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." To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act. "*

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

FRANCHISOR	AREA DEVELOPER
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of << Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN SOUTH DAKOTA

THIS SOUTH DAKOTA RIDER (this "Rider") is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 ("Franchisor"), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> ("Area Developer").

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________(the "Area Development Agreement"). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of South Dakota and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of South Dakota; and/or (b) the offer to sell the franchise for Area Developer's Next Health Center was made or accepted in the State of South Dakota.

2. Financial Assurance. The following language is added to the end of Section 2 ("Development Fee") of the Development Agreement:

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

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

FRANCHISOR	AREA DEVELOPER
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of << Area Developer Entity>>

RIDER TO THE
AREA DEVELOPMENT AGREEMENT
FOR USE IN VIRGINIA

THIS VIRGINIA RIDER (this “Rider”) is made and entered into by and between Next Health Franchising, LLC, a Delaware limited liability company, whose address is 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069 (“Franchisor”), and <<Area Developer>>, a <<State>> <<Entity Type>> whose principal business address is <<Address>> (“Area Developer”).

1. Background. Franchisor and Franchisee are parties to that certain Franchise Agreement dated ______________________(the “Area Development Agreement”). This Rider is annexed to and forms part of the Area Development Agreement. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is being signed because (a) Area Developer is a resident of the State of Virginia and the Next Health Center that Area Developer will operate under the Area Development Agreement will be located or operated in the State of Virginia; and/or (b) the offer to sell the franchise for Area Developer’s Next Health Center was made or accepted in the State of Virginia.

2. Financial Assurance. The following language is added to the end of Section 2 (“Development Fee”) of the Development Agreement:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the development franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under this Agreement.

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

FRANCHISOR	AREA DEVELOPER
______________________________	______________________________
By: Scott Svilich Chief Operating Officer of Next Health Franchising, LLC	By: <<Principal Operator>> <<Title>> of << Area Developer Entity>>

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

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	August 7, 2026
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Not Registered
Wisconsin	August 11, 2026

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 I

RECEIPTS

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Next Health Franchising, LLC offers you a franchise, it must provide this disclosure document to you fourteen (14) calendar days before you sign a binding agreement with, or make a payment to, Next Health Franchising, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, Next Health Franchising, LLC must give you this disclosure document at the earlier of the first (1st) personal meeting or fourteen (14) calendar days before you sign an agreement with, or make a payment to, Next Health Franchising, LLC or an affiliate in connection with the proposed franchise sale. Under Michigan law, Next Health Franchising, LLC must give you this disclosure document at least ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first (1st). Under New York law, Next Health Franchising, LLC must provide this disclosure document at the earlier of the first (1st) personal meeting or ten (10) business days before you sign a binding agreement with, or make a payment to, Next Health Franchising, LLC or an affiliate in connection with the proposed franchise sale.

If Next Health Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

Issuance: August 7, 2026

The franchisor is Next Health Franchising LLC, 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069. Tel: (310) 295-2075. The franchise seller for this offering is:

☐ Scott Svilich	☐ ____________________	☐ ______________
Next Health Franchising, LLC	Next Health Franchising, LLC	Next Health Franchising, LLC
8560 W Sunset Blvd, #650	8560 W Sunset Blvd, #650	8560 W Sunset Blvd, #650
West Hollywood, CA 90069	West Hollywood, CA 90069	West Hollywood, CA 90069
(310) 295-2075	(310) 295-2075	(310) 295-2075

Next Health Franchising, LLC's registered agents authorized to receive service of process are described in Exhibit A.

I have received a disclosure document dated August 7, 2026, that included the following Exhibits:

A. State Agencies
B. Franchise Agreement
C. Area Development Agreement
D. Lists of Franchisees
E. Financial Statements
F. Operations Manual TOC
G. Franchisee Specific Forms & Templates
H. State Riders & Addenda
I. Receipts

____________________	____________________	____________________
Date	Printed Name	Signature
____________________	____________________	____________________
Date	Printed Name	Signature

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or facsimile, to Legal, Next Health Franchising, LLC, 8560 West Sunset Boulevard, Suite 650, West Hollywood, CA 90069; Phone: (310) 295-2075. Email: legal@next-health.com.

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C.	Area Development Agreement	H.	State Riders & Addenda
D.	Lists of Franchisees	I.	Receipts
E.	Financial Statements		

____________________	____________________	____________________
Date	Printed Name	Signature
____________________	____________________	____________________
Date	Printed Name	Signature

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