FRANCHISE DISCLOSURE DOCUMENT

(Area Representative Rights)

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Department of
Business Oversight

OrthoNOW®

We keep you moving.®

OrthoNOW, LLC
3650 NW 82nd Avenue, Suite 103
Doral, Florida 33166
(305) 537-7272
info@orthonowcare.com
www.orthonowcare.com

THE FOLLOWING PROVISIONS APPLY ONLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL. Any questions regarding the notice should be delivered to the Department of the Attorney General, Department of Licensing and Regulatory Affairs, Corporations, Securities and Commercial Licensing Bureau, 2501 Woodlake Circle, Okemos, MI 48864, Telephone: (517) 241-6470.

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The Business you will own and operate is acting as our Area Representative by soliciting prospective unit franchisees and area developers to operate and develop OrthoNOW unit franchises within your Service Area and acting as our designated servicing agent to the OrthoNOW® unit franchises located within your specific Service Area ("Area Representative Rights").

The total investment necessary to begin operation of an OrthoNOW® Area Representative franchise is between $676,485 and $1,197,485. This includes $162,500 that must be paid to us or an affiliate for the representative rights for 3 unit franchises and the right to open your own unit franchise. (As an Area Representative, you are required to purchase and develop a unit franchise, which we offer under a separate Franchise Disclosure Document.)

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

You may wish to receive this Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of this Franchise Disclosure Document in different formats, contact Susana Rylander, 3650 NW 82nd Avenue, Suite 201, Doral, FL 33166 and (305) 336-3205.

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

Buying Area Representative Rights is a complex investment. The information in this Franchise 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 Franchise 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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The Issuance Date of this Franchise Disclosure Document is March 28, 2018.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling Area Representative Rights in your state. REGISTRATION OF AREA REPRESENTATIVE RIGHTS BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE BUSINESS RELATIONSHIP OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit B for information about the franchisor or about franchising in your state.

MANY AREA REPRESENTATIVE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AREA REPRESENTATIVE AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR AREA REPRESENTATIVE AGREEMENT, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE AREA REPRESENTATIVE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND LITIGATION ONLY IN MIAMI-DADE COUNTY, FLORIDA. OUT OF STATE MEDIATION, ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE AND LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.

2. THE AREA REPRESENTATIVE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THE GUARANTY WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling Area Representative Rights and Franchises. A franchise broker or referral source represents us, not you. We pay this person a fee for selling Area Representative rights and unit franchises or referring you to us. You should make sure to do your own investigation of the area representative and franchise offerings.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

State	Effective Date
California	
Florida	March 20, 2018
Hawaii	Not Registered
Illinois	
Indiana	March 1, 2018
Maryland	
Michigan	June 12, 2017
Minnesota	
New York	
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	
Washington	
Wisconsin	Not Registered

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date.

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

THE FRANCHISOR, PARENTS AND AFFILIATES

Franchisor.

The Franchisor is OrthoNOW; LLC, a Florida limited liability company and is referred to as "we," "us" and "our." The Area Representative is the person, persons or Business Entity to whom we grant the right to purchase Area Representative Rights and is referred to as "you" and "your." If the Area Representative is a Business Entity, each of the equity owners (the "Owners") must sign the Guaranty of Area Representative's Obligations included in Exhibit E. Unless otherwise defined in this FDD, all capitalized terms are defined in ARTICLE 10 of the Area Representative Agreement.

We do business and intend to do business under the name "OrthoNOW." Our principal business address is 3650 N.W. 82nd Avenue, Suite 103, Doral, Florida 33166 and our telephone number is (305) 537-7272. Our sole business since inception is selling OrthoNOW franchises and development rights. We began selling OrthoNOW unit franchise and area developer rights in December 2014. We began offering area representative rights in September 2016. This disclosure document contains information for the offer of area representative franchises. Information about our single unit and area developer franchises is contained in a different disclosure document. We do not operate a business of the type being franchised and we do not sell franchises of any other kind.

Parent. We have no parent company.

Affiliates. **Badia Hand to Shoulder, LLC** ("BHS") is a Florida limited liability company that was organized in December 2007 and has a principal business address at 3650 N.W. 82nd Avenue, Suite 201, Doral, Florida 33166. BHS owns all of the Marks and the System used by us, our franchisees and our area representatives and has granted us the exclusive license to use and sublicense all of BHS's OrthoNOW intellectual property to you and other franchisees and area representatives. BHS also owns an orthopedic/hand medical practice that does not operate under the OrthoNOW brand and is different from the type of business offered to you. We have the right to use and license others to use the Marks and the System under an agreement with BHS described in ITEM 13. BHS does not operate any business of the type being offered and has never offered for sale any franchises of any kind. BHS is not in any line of business except as disclosed in this Item.

OrthoNOW Doral, LLC ("Doral") is a Florida limited liability company that has its principal business address at 3650 N.W. 82nd Avenue, Suite 201, Doral, Florida 33166. Doral was organized on December 1, 2012 and operates one OrthoNOW® Center at that address. Doral does not operate any business of the type being offered and has never offered for sale any franchises of any kind. Doral is not in any line of business except as disclosed in this Item.

OrthoNOW Biscayne, LLC ("Biscayne") is a Florida limited liability company that has its principal address at 679 N.E. 58th Street, Miami, Florida 33137. Biscayne was organized on August 11, 2014 and has operated an OrthoNOW® Franchise Unit at that address since May 2015. Biscayne does not operate any business of the type being offered and has never offered for sale any franchises of any kind. Biscayne is not in any line of business except as disclosed in this Item.

None of these affiliates are selling franchises in any line of business or will provide products or services to you.

OUR PREDECESSORS

We have no predecessors.

TRADE NAME

We conduct business under the trade name "OrthoNOW®."

OUR AGENTS FOR SERVICE OF PROCESS

Exhibit B contains the identities and principal business addresses of our agents for service of process in all states.

TYPE OF BUSINESS ORGANIZATION

We are a Florida limited liability company organized on January 7, 2010.

OUR BUSINESS AND THE AREA REPRESENTATIVE RIGHTS OFFERED

Our Business. Our business is: (i) the offer and sale of OrthoNOW unit franchise and development rights (by a separate FDD); (ii) the offer and sale of area representative rights by this FDD; and (iii) the service and support of our OrthoNOW unit franchisees.

Other Business Activities. We have not conducted business in any other line of business and have not offered franchises in any other line of business.

Area Representative Rights. As an Area Representative, you will solicit prospective unit franchisees and area developers to operate and develop OrthoNOW unit franchises within your Service Area, and you will act as our designated servicing agent to the OrthoNOW® unit franchises located within your specific Service Area ("AR Business"). As an Area Representative, you will not be a party to the franchise agreements that govern the franchise units within your Service Area except for those franchise agreements that govern the franchise unit(s) Area Representative owns. Under the Area Representative Agreement, we delegate to you certain assistance and support obligations we have to unit franchisees under the respective franchise agreements. The unit franchisees within your Service Area pay all initial fees, royalties and other payments directly to us. We then remit a portion of these fees to you as provided in the Area Representative Agreement as consideration for the services you provide the unit franchisees in your Service Area. We prohibit you from making any representations of sales or profits to prospective purchasers of unit franchises and/or development rights other than those set forth in Item 19 of our franchise disclosure document. Additionally, we require you to abide by all federal and state franchise disclosure, registration and sales laws, and all other applicable laws in the performance of your duties. You are an independent contractor and not our employee.

A copy of the Area Representative Agreement is included in Exhibit C. We have also provided you with our franchise disclosure document relating to the OrthoNOW unit franchises and area development rights ("Unit Franchise Disclosure Document"). One of your obligations as an Area Representative is to purchase, construct and operate a unit franchise, which unit franchise will be governed by a franchise agreement that you will execute at the time you sign the Area

Representative Agreement. Your first unit franchise will be your showcase unit, sales office and training center.

General Market. The general market for the services you offer is all persons seeking to purchase a franchise and/or development rights within your Service Area. You will sell the services to the general public.

Competition. You will have to compete with other businesses selling similar services. Competitors include other franchise offerings, business brokers, real estate brokers and franchise consultants representing potential buyers of franchises or existing businesses.

Industry-Specific Laws or Regulations. You must comply with all local, state and federal laws that apply to your ownership and operation of your AR Business. We require you to abide by all federal and state franchise disclosure, registration and sales laws, and all other applicable laws in the performance of your duties. We are not aware of any laws or regulations specific to the operation of an AR Business that do not apply to other businesses generally except for federal and state franchise disclosure and sales laws. We will maintain our Unit Franchise Disclosure Document in accordance with the FTC Franchise Rule and be registered in those states in which we plan to offer and sell unit franchises and area development rights including the Service Area we grant to you. You may not offer franchises or area development rights in a state in which we are not registered or to residents of states in which we are not registered. You may not advertise to potential franchisees unless the advertisement is on our Website or, in certain states, the advertising materials are filed and approved by these states. If your Service Area includes all of a portion of the States of New York and/or Washington, you must register as a franchise broker. Once you have identified and disclosed to a prospective unit franchisee within your Service Area or intending to open a unit franchise within your Service Area ("Prospect"), we will take over the sales process and the closing of the franchise sale. If you operate from your home, you must determine whether there are any zoning laws, restrictive covenants, homeowner association or condominium association rules or regulations that prohibit or restrict your ability to operate the Franchise Business from your home. There may be other laws applicable to your Franchise Business. We urge you to make additional inquiries and contact your attorney about these laws and regulations.

In order to comply with disclosure requirements imposed under the Federal Trade Commission Franchise Rule and applicable state law, as well as our standards, we must make certain disclosures about you (as well as your "salespeople") in our Unit Franchise Disclosure Document provided to prospective franchisees. This information, and these disclosures, must be provided to us and listed in the Unit Franchise Disclosure Document prior to beginning any activities under the Area Representative Agreement. Additionally, you must complete our required Initial Training for Area Representatives (see Item 11 for additional details) before you begin to solicit Prospects.

ITEM 2 - BUSINESS EXPERIENCE

Chief Executive Officer: Nick Mendez

Mr. Mendez became our Chief Executive Officer in April 2018. Prior to joining us, he was Managing Partner and CEO of AIM Partners from November 2015 through December 2017, in Brentwood, Tennessee. From February 2013 to August 2015 he was CEO of Enovate Medical in Murfreesboro, Tennessee.

President, Chief Medical Officer and Managing Member: Alejandro Badia, M.D.

Dr. Badia has been our Chief Executive Officer, President, Chief Medical Officer and Managing Member since our formation. Since October 2008, he has been President, Badia Hand to Shoulder, LLC (our affiliate), Doral, and Florida.

Treasurer: Susana Rylander

Ms. Rylander has served as our Treasurer since our formation in January 2010. Since September 2007, she has been Executive Assistant, Badia Hand to Shoulder, LLC (our affiliate), Doral, and Florida.

Chief Financial Officer: Justin Irizarry

Mr. Irizarry has been our Chief Financial Officer since January 2010. Since June 2009, Mr. Irizarry has also been the managing member of J. David Capital, LLC in Miami, Florida.

Vice President of Operations – Eric Rylander

Mr. Rylander has been our Vice President of Operations since July 2013. Since April 2014, he has also been Vice President of Marketing and Operations for Rylander Brands, LLC. From July 2003 to July 2013, he was President of Marzini Restaurants, LLC, located in Wilmington, North Carolina.

Chief Development Officer – Christine Dura

Ms. Dura has been our Chief Development Officer since January 2016. She became Founder and CEO of Dura Consulting, LLC located in Scottsdale, Arizona, in January 2002 and continues to the present.

Director of Clinical Operations -- Thelma Cela

Since April 2016, Ms. Cela has been our Director of Clinical Operations. From January 2011 to June 2015, she was the Director of Leon Medical Centers in Miami, Florida.

ITEM 3 - LITIGATION

PENDING ACTIONS

Carlos Fernandez v. OrthoNOW, LLC, Case No. 2016-008340-CA-01 in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida. On April 5, 2016, a former franchisee filed suit against us alleging fraudulent inducement to sign a franchise agreement, fraud, and breach of contract. We responded to the complaint and filed affirmative defenses of failure to state a claim, unclean hands, prior breach of contract, performance, breach of contract, and failure to perform conditions precedent. We settled the case in mediation by purchasing the assets of the Franchised Business for $45,000.

Other than this 1 action, no litigation is required to be disclosed in this ITEM.

ITEM 4 - BANKRUPTCY

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

ITEM 5 - INITIAL FEES

AREA REPRESENTATIVE FEE

When you sign the Area Representative Agreement, you must pay us an Area Representative Fee equal to $32,500 times the number of Franchise Businesses you agree to open or sell. At the same time you sign the Area Representative Agreement, you must also sign a franchise agreement for your first unit franchise and must pay us the initial franchise fee of $65,000. The initial franchise fee and the area representative fee is nonrefundable and uniformly applied.

ELECTRICAL MUSCLE STIMULATION (EMS)

We are the exclusive distributor for EMS equipment, which you will be required to purchase from us. We estimate the cost for you to purchase two EMS units to be approximately $1,000. The EMS cost includes freight to deliver to your Center and whether sales tax is charged will depend on your jurisdiction.

ITEM 6 - OTHER FEES

Type of Fee (Note 1)	**Amount**	**Date Due**	**Remarks**
Brokerage Fees	$30,000	Upon the closing of the sale of a unit franchise in your Service Area	You must comply with our National Broker Relations Program. You are responsible to pay associated fees for unit franchises awarded in your Service Area.
Ongoing Area Representative Training	Initial training is free; we will charge you our then-current fee for ongoing training, plus expenses of the trainer	Immediately upon receipt of invoice	We may provide you refresher and additional training programs at our principal training center, which may be required, at our option. Training will not be required more often than once a year.
Service Fee for Unit Franchise (See Note 2)	7% of the Gross Practice Revenues of the PC except in certain states. See Note 2.	Payable monthly, by the 10th day of the following month	Payable to us by an automatic, electronic debit of funds. You must also submit a report of Gross Practice Revenues by the 5th of each month.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Technology Fee for Unit Franchise	$495/month	Payable monthly, as we arrange	Once we commence charging a technology fee to cover the cost for your website, maintaining the mobile application, and other technologies and solutions we develop or manage on behalf of the brand, you will have to pay us a monthly technology fee currently established at $495/month, which fee will cover certain technology services we will contract to provide to you. We reserve the right to commence charging this fee or alter the amount of the fee with 30 days prior written notice.
Co-Op Advertising	Currently none (See Note 4)	To be established	If we create a Cooperative Advertising program that includes your Franchised Business, you must participate. The specifics of any Cooperative Advertising program will be determined when established, including the amount, if any, of a Cooperative Advertising Fee. Any Cooperative Advertising Fee will be credited against your Local Advertising obligation.
Transfer Fee	10% of the purchase price and the costs we incur reviewing the proposed transfer.	When we approve franchise transfer.	Fee is earned when the transfer is approved and paid at closing. Additionally, you or the prospective purchaser must reimburse us for the costs we incur reviewing your proposed transfer, including our attorneys' fees associated with the transaction.

Type of Fee (Note 1)	Amount	Date Due	Remarks
On-Going Unit Franchise Training	Our then current charge, plus expenses of the trainer.	As incurred	We may require you (or your Operating Owner), your Center Manager (see ITEM 11) and/or other previously trained and experienced managers to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We may charge a fee for training any replacement or substitute Center Manager, or person who has been decertified. At your request, we will conduct additional training at your OrthoNOW® Center, subject to the availability of training personnel. (See ITEM 11 under "Training").
Transfer Fee	15% of our then-current initial franchise fee charged to a new franchise	At time of transfer	The transfer fee will be waived if the transferee: (a) is an entity controlled by you; or (b) has obtained the Franchised Business as a result of your death or disability.
Offering Fee	$10,000 or such greater amount as is necessary to cover our costs and expenses for reviewing the proposed offering	When you notify us of the potential offering	Payable to us for reviewing a proposed public or private offering of ownership interests in a franchisee.
Interest on Overdue Amounts	1.5% per month or the highest commercial contract interest rate that the law allows on amounts owed to us	Upon demand	We may debit your bank account automatically for late fees and interest. This interest on overdue amounts is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Indemnification	Varies	Upon demand	You will indemnify us against any costs arising out of the Franchised Business operation, the business you conduct under the Franchise Agreement, or your breach of the Franchise Agreement.
Costs and Attorneys' Fees	Varies	Upon demand	Reimbursement to us for all of the costs and expenses that we incur due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with the Franchise Agreement.
Renewal Fee	10% of your initial franchise fee	At renewal	If you satisfy the conditions, you may acquire 4 additional terms of 5 years each under new franchise agreements that may be materially different than the expiring Franchise Agreement
Insurance Costs	Varies	Upon demand	If you fail or refuse to obtain and maintain the insurance we specify, we may obtain the insurance for you and the Franchised Business on your behalf, in which event you must reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.
Audit	Unreported Service Fees, plus costs of audit	Upon invoice	You only owe the costs of the audit if you underreport Service Fees by 3% or more. The Franchise Agreement gives us the right to require the franchisee (MSO) to audit the PC so that we can verify that the franchisee has paid us all Service Fees due under the Franchise Agreement.

Type of Fee (Note 1)	Amount	Date Due	Remarks
Liquidated Damages (Unit Franchise Agreement)	Will vary under the circumstances. Liquidated damages are determined by multiplying the combined monthly average of Service Fee (without regard to any fee waivers or other reductions) that are owed by you to us during the 12 months of operation preceding the effective date of termination multiplied by the lesser of: (i) 36, or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than $70,000.	Within 15 days after termination of the Franchise Agreement	Due only if we terminate the unit franchise agreement before the end of the term because of your material breach, or you terminate the Franchise Agreement without legal cause.
Fines (Note 3)	Up to $2,500	Upon notice of infraction. Will be collected by EFT.	Failure to operate in accordance with operating standards.
Fine for failure to attend required annual convention	$2,500	Upon notice of infraction. Will be collected by EFT.	Payable if you fail to attend annual conference. Payable by you unless you obtain our prior, written approval not to attend training/ convention

Type of Fee (Note 1)	Amount	Date Due	Remarks
Fine for failure to submit report of Gross Practice Revenues	$1,000 plus an additional 1.5% of Gross Sales	Upon notice of infraction. Will be collected by EFT.	Payable if you fail to submit monthly Gross Practice Revenues report, due the 5th of each month.
Extension Fee	$5,000	Upon request for extension	If you fail to timely open your Franchised Business, we may grant you a one-time 6 month extension of time to open upon payment of the Extension Fee prior to when the franchise agreement would otherwise terminate. If you become an Area Developer and you fail to develop an OrthoNOW® Center according to the Development Schedule, we may grant you a one-time extension of your Development Schedule for a $5,000 fee.

NOTES

1. All fees in this section are payable to us or our affiliates. These fees are nonrefundable and uniformly applied.

2. See the Unit Franchise Disclosure Document for additional information regarding the Service Fee you will pay for any unit franchise you purchase from us.

3. We may fine you up to $2,500 every time you fail to obtain our prior written approval for advertisements, fail to attend required conventions, fail to timely submit reports, fail to attend marketing meetings, or offer unauthorized products or services. We have the right to collect any fines by means of EFT.

ITEM 7 – ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT - AREA REPRESENTATIVE AGREEMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	LOW	HIGH			
Area Representative Fee[1]	$162,500	$162,500	Lump Sum	On signing the Area Representative Agreement	Us

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	LOW	HIGH			
Travel and Living Expenses for Area Representative Training[2]	$1,250	$3,500	As arranged	As incurred	Third parties
Display Booth, Registration Fee and Advertising Materials for Trade Shows[3]	$5,000	$5,000	Lump Sum	As incurred	Third Party Suppliers
Initial Franchise Fee for First Unit Franchise[4]	$65,000	$65,000	Lump sum	When you sign the Franchise Agreement	Us
Travel and Living Expenses For Unit Franchisee Training[5]	$1,250	$3,500	As arranged	As incurred	Third parties
Real Estate Lease for First Unit Franchise – Rent and Security Deposit Payable Before Opening[6]	$24,000	$55,000	As arranged	As incurred	Landlord
Utility Fees and Utility Deposits for First Unit Franchise[7]	$500	$2,000	As arranged	As incurred	Third parties
Medical Equipment, Inventory and Supplies for First Unit Franchise[8]	$25,000	$35,000	As arranged	As incurred	Suppliers
Construction of Leasehold Improvements for First Unit Franchise[9]	$65,000	$300,000	As arranged	As incurred	Contractors
Equipment, Furniture, Decor Items and EMR for First Unit Franchise[10]	$10,000	$35,000	As arranged	As incurred	Suppliers
Office Supplies for First Unit Franchise	$2,500	$7,500	As arranged	As incurred	Suppliers
Grand Opening and Pre-Opening Advertising for First Unit Franchise[11]	$14,000	$48,000	As arranged	As incurred	Third parties
Licenses and	$2,000	$6,000	As	As incurred	Third parties

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment Is To Be Made
	LOW	HIGH			
Permits[12]			arranged		
Signage for First Unit Franchise [13]	$2,500	$15,000	As arranged	As incurred	Suppliers
Attorneys and Accountants for First Unit Franchise [14]	$5,000	$15,000	As arranged	As incurred	Attorneys and accountants
Insurance for First Unit Franchise [15]	$3,000	$15,000	As arranged	Before opening	Insurance carriers
Design for First Unit Franchise [16]	$1,500	$8,000	As arranged	As incurred	Design firms
Technology Fee for Unit Franchise[17]	$1,485	$1,485	EFT	Monthly	Us or affiliate
Advertising for Promotion of Unit Franchises (Area Representative Business) [18]	$5,000	$10,000	As arranged	As incurred	Suppliers
Additional Funds[19]	$280,000	$405,000	As arranged	As incurred	Employees, suppliers, utilities, lessor, etc.
Total[20]	$676,485	$1,197,485			

NOTES

1. Area Representative Fee. See ITEM 5 INITIAL FEES for a description of the Area Representative Fee. This Item assumes you will be purchasing the rights to sell and service 3 Franchised Units in your Service Area, not including the Franchised Unit you must also purchase, develop, and operate.

2. Travel/Training. We will provide Initial Training for Area Representatives at no cost to you. However, you will pay for all travel and living expenses while you are training. The costs will depend on the distance you must travel and the type of accommodations you choose. We will provide the initial training program at our headquarters (currently Doral, Florida). The low estimate assumes that you live within driving distance of our headquarters or the designated training center; the high estimate assumes that you will incur costs for lodging, food and travel for one night. See ITEM 11 for a fuller discussion of our training program.

3. Trade Shows. You will actively participate in franchise and business opportunity shows, if any, within the Service Area that we deem appropriate. You will purchase an appropriate franchise display booth, registration fees and marketing materials from our Approved Supplier.

4. Initial Franchise Fee for First Unit Franchise. The initial franchise fee is $65,000 and is paid when you sign the Unit Franchise Agreement. See ITEM 5 and the Unit Franchise Disclosure Document for more details.

5. Travel/Training for First Unit Franchise. We will provide initial training for a minimum of 3 attendees for a maximum of 5 days (which must include you or your Operating Owner and your Center Manager) at no cost to you. However, you will pay for all travel and living expenses of your attendees and their wages and workers' compensation insurance while they are training. The costs will depend on the distance you must travel and the type of accommodations you choose. We will provide the initial training program at our headquarters (currently Doral, Florida) or at a designated training center of our choice. The low estimate assumes that you live within driving distance of our headquarters or the designated training center; the high estimate assumes that you will incur costs for lodging, food and travel for one week. See the Unit Franchise Disclosure Document for additional details.

6. Real Estate Lease – Rent and Security Deposit Payable Before Opening of First Unit Franchise. We include in this line item a low/high estimate of your likely expenses for rent and the lease security deposit payable before you open your first OrthoNOW® Center, and separately include under Additional Funds a low/high estimate for rent payable during the six-month initial period. We assume you will lease, not acquire, the real estate. Rental costs per square foot for suitably zoned commercial space can vary considerably by geographic market (population density, demographic conditions, desirability and demand for space influence actual rent); physical size and conditions; prevailing market and economic conditions; and prior use of the space. In addition to rent, landlords also vary in their policy regarding the number of months' rent that they require as a security deposit, which will also affect your real estate expenses during the initial period. You should expect to pay at least one month rent as a security deposit before the opening of the OrthoNOW® Center. Depending on vacancy rates, prevailing economic conditions and competition, landlords may offer free rent, tenant improvement allowances and other incentives. Some landlords will agree to defer the rent commencement date for some time period after you receive possession and during the build-out phase. We cannot guarantee that you will be able to negotiate a tenant improvement allowance or other favorable lease terms, including rent deferrals, and make no allowance for these benefits in disclosing initial investment real estate costs. The low estimate assumes a 1,500 square foot OrthoNOW® Center and the high estimate assumes a 2,560 square foot OrthoNOW® Center and also assumes you pay our preferred real estate broker a $5,000 site validation fee. Both the low and high estimates assume that it takes 6 months for you to complete the buildout of your OrthoNOW® Center from the date that you sign the lease and receive possession of the premises and that the landlord provides free rent for 3 months and you pay rent for 3 months before the Opening Date. The low estimate reflects monthly rent of $6,000 and the high estimate assumes monthly rent of $10,000. The low estimate reflects a security deposit equal to one month's rent, and the high estimate reflects a security deposit equal to two month's rent. As a result, this chart summarizes the low/high range in the initial investment chart:

	A	B	C	D	E
	Rentable Square Feet	**Estimated Rent/Month**	**Estimated Security Deposit Paid Before Opening**	**Estimated Rent Paid Before Opening (3 months)**	**Estimated Rent and Security Deposit Payable Before Opening (Column D + Column E)**
Low Estimate	1,500	$6,000	$6,000 (1 month)	$18,000 (3 months)	$24,000
High Estimate	2,560	$10,000	$20,000 (2 months)	$30,000 (3 months)	$50,000

7. Utility Fees, Real Estate Lease and Utility Deposits for First Unit Franchise. You must operate your first unit franchise from Premises that we approve. As we disclose in ITEM 11 of the Unit Franchise Disclosure Document, generally, a site must be located on the ground floor; be street facing; have adequate signage; have adequate parking; and be a minimum of 1,500 square feet, including a procedure room. The ITEM 7 estimates assume that the Premises that you lease is 2,500 square feet and that you pay our preferred real estate broker a $5,000 site validation fee. Lease costs will vary with real estate costs in each market. You will need to post deposits with your landlord (usually first and last month's rent and security) and local utility companies and pay initial utility fees. See the Unit Franchise Disclosure Document for additional details.

8. Medical Equipment, Inventory and Supplies for First Unit Franchise. You will need medical equipment like x-ray equipment, exam tables, and may elect MRI and ultrasound equipment. The estimate assumes you will lease the equipment rather than purchasing it. A variety of factors (such the condition of the national and regional economy, availability of credit, number of suppliers leasing equipment in your area, the interest rates being offered by suppliers, duration of leases offered, security requirements, and your credit history) may affect the availability of leased equipment, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease medical equipment. See the Unit Franchise Disclosure Document for additional details.

9. Leasehold Improvements for First Unit Franchise. You must develop your OrthoNOW® Center in compliance with our standards for architectural design, layout, furnishings, fixtures, equipment, and decor as outlined in the Manual. You will have to adapt our standard plans to your premises and local zoning and construction requirements. You will need to negotiate with your landlord the build out of the location to meet the system design standards for the OrthoNOW® Center. The build out and related costs may vary based on a number of factors, including the size and conditions of the Premises, that will typically include a "vanilla box" layout with our specifications, including all walls, fixtures, flooring, HVAC and utilities, plumbing for bathrooms and exam rooms, certain equipment and an office area. Our estimates in the chart above are for a 4-unit (4 examination room) Center, reflecting the conditions described above, and include the use of a general contractor. This is based on the experience of our affiliate, BHS. Your experience may

vary. You may be able to negotiate various terms with you landlord, including the landlord paying for some of the build-out costs for your OrthoNOW® Center. You may seek to finance some or all of your build-out costs through your landlord (typically, by the landlord factoring the costs into your lease payments for a specified period) or other financing sources.

10. Furniture, Fixtures, Décor Items, Computer Equipment, and Electronic Medical Records and Practice Management Computer Software. You will need to purchase furniture and fixtures for the Premises for your first unit franchise. The amounts listed include an estimate of the cost of computer equipment and installation costs to install the required electronic medical records ("EMR") and practice management ("PM") software systems that your OrthoNOW® Center will use for patient recordkeeping and billing. The "Additional Funds" category includes the monthly fees payable to software vendors for EMR and PM software, which third party vendors typically set as a "per provider" charge. See the Unit Franchise Disclosure Document for additional details.

11. Grand Opening and Pre-Opening Advertising for First Unit Franchise. You will need to implement your Grand Opening Advertising Program developed by us, or developed by you and approved in writing by us in connection with the opening of your first unit franchise. See the Unit Franchise Disclosure Document for additional details.

12. Business Licenses. You will be required to obtain a business license(s) or permit(s) before you can open your first unit franchise, and you may be required to obtain business licenses before you can begin operating as an Area Representative. The amounts shown represent the range of these fees. You will be responsible for ensuring that the unit franchise has received all required state and local government certifications, permits and licenses necessary for its operation, including any required licenses and certifications for its personnel. See the Unit Franchise Disclosure Document for additional details.

13. Signage for First Unit Franchise. You will obtain signage for the inside and outside of your first unit franchise locally. We must approve your signs to make sure that our Marks are replicated properly.

14. Legal/Professional Fees. It is important for you to consult with your own accountant, attorney, risk management and/or business advisor before making any decision to enter into an Area Representative, Unit Franchise Agreement, and/or Area Development Agreement with us. You should also use an attorney or other business advisor to review any lease or other agreements that you enter in connection with your Franchised Business or other independent business relationship. We also recommend that you seek the assistance of professional advisors before signing an Area Representative Agreement, Unit Franchise Agreement, and/or Area Development Agreement with us to evaluate any applicable legal obligations regarding the establishment and operation of a business providing orthopedic and sports medicine or recurring patient care services, and other related medical services, and their possible effects on your costs. The estimates in the chart above include costs for professional advice as to this issue, but the costs may vary considerably from state to state, depending on what regulations may apply.

15. Insurance. This is an estimate of your initial insurance premiums for required property, malpractice, employer liability and professional liability insurance. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier and other factors. We set minimum insurance requirements for OrthoNOW® Centers. See ITEM 8 for more details regarding insurance.

16. Design. You will have to customize the OrthoNOW® marketing materials developed by us. We may use marketing materials that promote OrthoNOW® Centers generally without obtaining your prior approval. However, if our marketing materials identify your OrthoNOW® Center by street address, we will obtain the prior approval of the PC involved in rendering professional services at your OrthoNOW® Center. If you create your own marketing materials to promote your OrthoNOW® Center, you must obtain our prior written approval so that we may verify the proper replication of the OrthoNOW® Marks. All marketing must comply with applicable law.

17. Technology Fee. Once we commence charging a technology fee to cover the cost for your website, maintaining the mobile application, and other technologies and solutions we develop or manage on behalf of the brand, you will have to pay us a monthly technology fee currently established at $495/month, which fee will cover certain technology services we will contract to provide to you. We reserve the right to commence charging this fee or alter the amount of the fee with 30 days prior written notice.

18. Advertising for AR Business. You will spend a minimum of $10,000 per calendar year advertising the availability of unit franchises and area development rights, and you will provide us with satisfactory proof of these expenditures, upon our request. You must obtain our prior written approval of your advertising materials and programs.

19. This is an estimate only for the additional operating capital needed to manage your Area Representative and Unit Franchise Businesses during the initial 6 months phase after you open for business ("initial period"). We cannot guarantee that you will not have additional expenses during the initial period. The estimate includes items like initial payroll (including one person for marketing activities) and payroll during the pre-opening training period for some of your staff, payroll taxes, professional fees, rent during the initial period (after the opening date), repairs and maintenance, bank charges, miscellaneous supplies and equipment, state tax and license fees, depreciation/amortization, deposits and prepaid expenses (if applicable) and other miscellaneous items. It does not include an owner's draw or salary. The Additional Funds category assumes 3 providers per OrthoNOW® Center and a combined EMR and PM software service fee of $500/month ($200 for the EMR System and $300 for the Practice Management System) payable to a third party vendor of these software programs. Our estimates also reflect a separate fee of $150/month per provider for an optional imaging system. A "provider" includes physicians, physician assistants and nurse practitioners. The expenses you incur during the start-up period will depend on factors like local economic and market conditions, whether your Franchised Business is located in a new market or a mature market, your experience and business acumen, competition, and the patient level and Gross Practice Revenues that you reach during this initial period. Additional operating expenses will be incurred after the initial period in connection with the ongoing operation of your Franchised Business that we do not disclose in ITEM 7. Periodic reinvestment will be necessary following the initial start-up phase for leasehold improvements, equipment, fixtures, and other assets.

20. Total. These estimates include the total estimates for starting up your area representative business, as well as opening your first unit franchise. In compiling these estimates, we have relied on the experience of our management and data collected from our affiliates that operate orthopedic care centers in Florida. Your costs will depend on a number of factors including local economic and market conditions. Additionally, as described in the notes above, the estimates above reflect a franchisee leasing the medical equipment (rather than purchasing it) and paying upfront the build-out costs (rather than financing these costs through the premises lease or otherwise). Also, if you currently have an established orthopedic practice and are converting it to an OrthoNOW® Center,

your costs for Equipment, Furniture, Decor and Signage; Construction of Leasehold Improvements; Inventory and Supplies; Architectural and Engineering; and Design should be limited to the incremental cost to modify your existing facility and signs to our minimum standards and, therefore, should be less than the "Low Range" above. If you decide to, and are able to make arrangements to lease medical equipment and/or finance the build-out of the OrthoNOW® Center, then the costs that you must pay during your first 3 months may be lower. Our estimates assume that you purchase certain equipment and do not take into account bank loans. We do not offer financing to franchisees either directly or indirectly in connection with their initial investment requirements. The availability and terms of financing obtained from third parties will depend upon factors like the availability of financing generally, your credit worthiness, collateral which you may make available, policies of local lending institutions concerning the type of business or the purpose for which money will be used, and other similar factors. If you wish to apply for financing guaranteed by the U.S. Small Business Administration ("SBA"), you must sign the SBA Addendum which will amend the Unit Franchise Agreement.

OUR EXPERIENCE IN COMPILING THESE ESTIMATES

We relied on our experience soliciting to prospective unit franchisees and supporting the unit franchisees once they are open and operating. For the information related to you opening of your first unit franchise, we relied on the experience of our management and data collected from our affiliates that operate centers in Florida. You should review these figures carefully with a business advisor before making any decisions to purchase an AR Business.

ITEM 8 - RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

General

To ensure that the reputation, goodwill, high standards, and quality, service and uniformity of the System is maintained at the OrthoNOW® Center, you must operate the Franchised Business in accordance with System Standards and the Area Representative Agreement and Unit Franchise Agreement. The term, "System Standards" refers our brand standards and mandatory and suggested specifications, standards, operating procedures, and rules relevant to the operation of your OrthoNOW Center and duties under the Area Representative Agreement and Unit Franchise Agreement. System Standards will not impinge on or interfere with the ability of Affiliated Physicians to exercise professional judgment in practicing medicine and providing patient services.

Approved Products, Distributors, and Suppliers

We have developed or may develop standards and specifications for types, models and brands of required Business Assets (all required fixtures, furniture, equipment, including required or recommended computer, facsimile, and patient information system), and other items. We will furnish these standards to you in the Manual or otherwise in writing or via electronic means. Our criteria for approving suppliers, however, is fluid (but which is, generally, the ability to satisfy our quality standards and controls), and is not provided to area representatives or unit franchisees. We reserve the right from time to time to approve specifications or suppliers and distributors of the above products that meet our reasonable standards and requirements. See the Unit Franchise Disclosure Document regarding the limitations to our right to designate certain products for your unit franchise.

If we do so, you must purchase only products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved. Currently, we are the distributor for the electrical muscle stimulation (EMS) devices you will use in your Center, as well as the nutritional supplements you will offer for sale. Other than those items, neither we nor our affiliate, is a required supplier or distributor, although we reserve the right to become required suppliers or distributors of these and other services, equipment or inventory in the future.

To the extent permitted by law, we require that you obtain the Exscribe electronic medical records system ("EMR") and practice management system ("PM") (See ITEM 11 – EMR and PM Systems for more information).

We expect that we will notify you of approval or disapproval of suppliers, specifications, or products within 30 days of your written request for approval of products, services, materials, forms, items or supplies that are not approved by us. We can impose a charge not to exceed the cost of our review. We reserve the right to revoke any approval in the event the supplier fails to maintain our quality standards. .

Subject to applicable law, we may designate a single distributor or supplier (collectively, "supplier") for any product, service, equipment, supply or material and may approve a supplier only as to certain products. There are currently no purchasing or distribution cooperatives.

We may concentrate purchases with one or more suppliers to obtain lower prices or advantageous advertising support or services. Approval of a supplier may be conditioned on requirements concerning product quality, prices, consistency, reliability, financial capability, labor relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

We may negotiate purchase arrangements (including price terms) with certain suppliers. In doing so, we seek to promote the overall interests of the System and our interests as franchisor. However, we cannot guarantee the outcome of our negotiations. You are not required to use the suppliers with whom we negotiate purchasing arrangements.

We may derive revenue or other material consideration from required purchases or leases by franchisees from suppliers but have not yet done so. If, in the future, we do receive revenue or other material consideration, we are under no obligation to share any of that revenue or consideration with you.

Except as described in this ITEM 8, we do not provide any material benefits to you based on your use of designated or approved suppliers (like renewal or additional franchises).

Revenue Derived

For the year ending December 31, 2017, our total revenue from purchases made through approved vendors was $462.14 or .07% of our 2017 annual revenue of $342,053. Our affiliates received none of their 2017 annual revenue from purchases made through approved vendors.

Proportion of Purchases

We estimate that your purchases or leases from approved suppliers or in accordance with our specifications will represent approximately 13%-21% of your total purchases in the establishment of the Franchised Business, and 5%-15% of your total purchases in your continuing operation of the Franchised Business. None of our officers owns an interest in any companies that are vendors or suppliers to our franchises. See the Unit Franchise Disclosure Document for limitations to our right to designate certain products for your unit franchise.

As we note above, if applicable law requires the PC that the franchisee (MSO) contracts with have final approval over suppliers used by the PC for any or all Business Assets and EMR and PM software systems, then we will allow the PC to have final approval rights over these matters provided you provide adequate written documentation satisfactory to us to provide the legal requirements, and following our 30 day review of the documentation. Until we delivery written notice concurring with your legal position, the request is deemed denied.

EMR and PM System

Unless prohibited by applicable law, you must obtain and use the electronic medical records and practice management system we specify from time to time (individually or collectively, the "EMR and PM"). We may modify specifications for and components of the EMR and PM. See the Unit Franchise Disclosure Document for more information and for limitations to our right to designate certain products for your unit franchise.

Insurance

You must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, personal injury coverage and motor vehicle liability insurance against claims for bodily and personal injury, death, employer liability insurance and property damage caused by or occurring in connection with the Franchised Business' operation, all containing the minimum liability coverage we prescribe from time to time. The current requirements for insurance policies and coverage include: (1) comprehensive general liability insurance with limits of at least $1 million per occurrence and $3 million aggregate; (2) workers' compensation and employer's liability insurance as well as other insurance that may be required by statute or rule of the state in which the Franchised Business is located and operated; (3) personal injury coverage with limits of at least $1,000,000 per occurrence and $1,000,000 aggregate; (4) property damage coverage with limits of at least $1,000,000 per occurrence and $1,000,000 aggregate; (5) fidelity bond with limits of at least $25,000 per occurrence and $1,000 deductible; (6) automobile liability insurance, and property damage liability, including owned, non-owned, and hired vehicle coverage, with at least $1,000,000 general aggregate limit; (7) professional liability/medical malpractice coverage with limits of at least $1,000,000 each incident and $3,000,000 aggregate, (8) product liability coverage with limits of at least $1,000,000 per occurrence and $3,000,000 aggregate; and such other insurance as we may specify in the Manual. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage (including reasonable excess liability insurance) 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. These insurance policies must name us and any affiliates we designate as additional insureds and provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain comparable insurance for you and the Franchised

Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining the insurance.

Modification of System Standards

We may operate and change the System in any manner that is not expressly or specifically prohibited by the Franchise Agreement. Because complete and detailed uniformity under many varying conditions may not be possible or practical, we specifically reserve the right and privilege, as we consider to be best, and consistent with all applicable laws and regulations, to vary System Standards for any unit franchisee, area representative, or any OrthoNOW® Center based upon the peculiarities of any condition that we consider important to that area representative's, franchisee's or OrthoNOW® Center's operation. Periodically, we may modify System Standards, and to the extent the changes to the System Standards will apply, generally, to franchisees, area representatives, and OrthoNOW Centers operating under the System, these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You must implement any changes in the System Standards within the time period we specify, whether they involve refurbishing or remodeling the premises of your unit franchise or any aspect of the Franchised Business, buying new Business Assets, adding new services offered by the Franchised Business, or otherwise modifying the nature of your operations.

Lease Approval

If you do not own your business premises, we must approve your lease. We have the right to require you and your landlord to provide in the lease that we shall have the right at our option and without compensation to you to take assignment of the lease should you materially default under the lease or should your franchise terminate or not be renewed for any reason. You are not allowed to relocate the business premises without our prior written approval.

ITEM 9 – AREA REPRESENTATIVE'S OBLIGATIONS

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

Obligation	Section In Agreement(1)	Franchise Disclosure Document Item
a. Site selection and acquisition/lease	Section 3.1	ITEM 11
b. Pre-opening purchases/leases	Section 3.1	ITEMS 7 and 11
c.Site development and other pre-opening requirements	Sections 3.1 and 3.3	ITEM 11
d. Initial and ongoing training	Section 2.1	ITEMS 6, 7, 8 and 11
e. Opening	Not Applicable	Not Applicable
f. Fees	Section 4.1	ITEM 5

Obligation	Section In Agreement[1]	Franchise Disclosure Document Item
g. Compliance with standards and policies/Operating Manual	Sections 3.2,3.3, 3.4 and 3.5	ITEMS 11 and 16
h. Trademarks and proprietary information	Not Applicable	Not Applicable
i. Restrictions on products/services offered	Sections 1.1, 1.2, and 3.2	ITEMS8 and 16
j. Warranty and customer service requirements	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Section 1.2, 3.5 and Exhibit A	ITEM 12
l. Ongoing product/service purchases	Section 3.2, 3.3, 3.4 and 3.5	ITEM 8
m. Maintenance, appearance and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Not Applicable	Not Applicable
o. Advertising	Subsections 3.2(b) and (c)	ITEMS 6,7 and 11
p. Indemnification	Subsection 8.3	ITEMS 6 and 8
q. Owner's participation/management/ staffing	ARTICLE 3	ITEM 15
r. Records/reports	Subsection 3.2(f), 3.3(h) and 3.4(a)	ITEM 6
s. Inspections/audits	Subsections 3.2(f) and 3.3(f)	ITEM 6
t. Transfer	Subsection 5.2	ITEMS 6 and 17
u. Renewal	Sections 9.2 and 9.3	ITEM 6 and 17
v. Post-termination obligations	ARTICLE 7	ITEM 17
w. Non-competition covenants	Section 8.2	ITEM 17
x. Dispute resolution	Section 11.3	ITEM 17
y. Other: Guaranty of Franchisee's Obligations	Section 2	ITEM 9

ITEM 10 - FINANCING

Our agents, our Affiliates and we do not offer direct or indirect financing to you, or guarantee any note, lease or obligation of yours.

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

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

AREA REPRESENTATIVE AGREEMENT

PRE-OPENING OBLIGATIONS

After the parties sign the Area Representative Agreement, we will provide you with the following assistance and services, as long as you are not in default under your Area Representative Agreement:

Initial Training for Area Representatives. We will provide you initial training for area representatives. (Subsection 2.1(a) of the Area Representative Agreement.) We describe the details of Initial Training for Area Representatives under the heading TRAINING PROGRAM below.

Completion of Initial Training for Franchisees. You must also attend and successfully complete initial training for unit franchisees to more fully understand and coordinate your training and support of Franchises within the Service Area and so you can operate your Franchise Business. (Subsection 2.1(d) of the Area Representative Agreement and the Unit Franchise Disclosure Document for additional details.)

CERTIFICATE OF PERFORMANCE OF PRE-OPENING OBLIGATIONS

After we have performed all of our preopening obligations to you under the Area Representative Agreement, we may request you to sign a certification (the "Certification of Performance of Pre-Opening Obligations"), contained in the Policy and Procedures Manual, confirming our performance.

TIME TO OPEN

The typical length of time between the signing of the Area Representative Agreement and the opening of the AR Business can vary from 1 to 4 months. The factors that may increase or decrease the time periods discussed above are: the amount of time and effort you commit to the site selection process and the construction or remodel of your first unit franchise; the availability of acceptable sites within the geographical area you choose; your ability to obtain a lease, financing and building permits; your credit and personal financials, and zoning and licensing requirements. Delays or a lack of effort by you, your contractors or your prospective landlord will increase these time periods. If you change your employment, business or financial status before the opening of your unit franchise, you do so at your own risk. Any and all such changes should be made only as a result of careful thought and advanced planning after obtaining advice from appropriate professional advisors.

ONGOING OBLIGATIONS AFTER OPENING

Franchise Disclosure Document. We will prepare and keep current the necessary Unit Franchise Disclosure Document for your Service Area. If the Service Area is in a state that regulate the offer and sale of franchises, we will register the Unit Franchise Disclosure Document and

provide your Prospects with the approved Unit Franchise Disclosure Document and any applicable state addenda. (Subsection 2.2(a) of the Area Representative Agreement).

You will not receive any compensation with respect to a prospective franchisee that is solicited before you: (i) have successfully completed Initial Training for area representatives; (ii) are listed in our Unit Franchise Disclosure Document (if necessary); (iii) are registered (if necessary) as a franchise broker and/or as may otherwise be required under the laws of one or more states that regulate the offer and sale of franchises; and/or (iv) comply with any other requirements imposed under the laws of one or more states that regulate the offer and sale of franchises (which will be at your expense).

You must follow our standards and requirements concerning compliance with state and federal franchise laws, and you also must fully cooperate with us in those matters.

Marketing. We have not yet established any local advertising cooperatives or advertising funds to which you must contribute, but we have the right to require you to contribute to an advertising fund or to require advertising cooperatives to be formed, changed, dissolved, or merged. While we have not established an advertising fund, we will make available to you all advertising materials, layouts, forms for business cards, stationary, and other promotional items necessary to attract Prospects and promote the OrthoNOW unit franchises, the products and/or services offered by the unit franchisees and the goodwill of the OrthoNOW System. If required by applicable law, we will file and obtain the prior approval of any state agency that has jurisdiction over advertising that we have prepared directed towards Prospects. (Subsection 2.2(b) of the Area Representative Agreement.)

If we establish an advertising fund in the future, we have the sole discretion to settle or forgive any accrued and unpaid advertising fund contributions owed by a unit franchisee or area representative. We have no obligation to contribute to any advertising fund we establish on the same basis as our franchisees or area representatives, but we may choose to do so in our sole discretion. With any advertising funds paid, we have sole discretion as to how and where the money is spent to promote, enhance, or further the growth of the system, including, without limitation, promotional marketing, lobbying, government relationships, legal and regulatory matters, public relationships, and advertising expenses, hiring marketing, public relations and advertising agencies and salaries, benefits and overhead of internal personnel to assist in developing the OrthoNOW brand name and average unit volumes, expenses associated with listings in telephone books, subsidies of premiere/marquis stores designed to garner media attention and promote the brand name, travel expenses in connection with promotions and marketing meetings, training, development of trademarks and trademarked materials, production of circulars, media, advertisements, coupons, and promotional materials (including point of purchase materials), expenses related to lobbying in the healthcare industry and for any other use we determine. Additionally, we can use the advertising fund to pay for expenses incurred in developing and maintaining the non-franchise sales portion of the OrthoNOW website. We cannot assure you that you or any particular OrthoNOW store will benefit directly or in proportionate ways from the placement of advertisement or any use of any advertising fund we create. Materials provided by any advertising fund to all area representatives may include video and audio tapes, mats, posters, banners, and miscellaneous point-of-sale items. You will receive one sample of each at no charge. If you want additional copies, you must pay duplication costs. If we establish an advertising fund, then the funds will be used to promote the products sold by franchisees business generally. A brief statement regarding the availability of information regarding the purchase of OrthoNOW unit

franchises may be included in advertising and other items produced using the advertising fund; provided that we will not use any advertising fund funds principally to sell franchises.

We are not required to spend any advertising funds in your specific Service Area or territory.

Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all OrthoNOW area representatives and/or unit franchisees located in a particular region. We have the right to collect and designate all or a portion of the local advertising for cooperative advertising. We will determine the geographic territory and market areas for each cooperative advertising program. You must participate in any cooperative advertising program established in your region. If cooperative advertising is implemented in a particular region, we may establish an advertising council for franchisees in that region to self-administer the program. If we establish a cooperative advertising program or programs with or without an advertising council, there are no limits on our right to change, dissolve or merge these program(s) and/or council(s) at any time. Each local advertising cooperative must adopt written governing documents. Each franchisee and each company-owned outlet will be entitled to one vote in any local advertising cooperative.

Compensation. Throughout the Term of the Area Representative Agreement, we will pay you the following compensation in exchange for your services:

(i) 50% of the Development Fee paid to us by a Developer under an Area Development Agreement whose Unit Franchise will be located within your Service Area and where you were the procuring cause of the sale;

(ii) 50% of the Initial Franchise Fee paid to us by a Franchisee under a Unit Franchise Agreement whose Unit Franchise will be located in your Service Area and where you were the procuring cause of the sale; and

(iii) 50% of the Service Fee paid to us by a Franchisee under a Franchise Agreement whose Unit Franchise is located in your Service Area and you are providing the services as we require (the "Service Fee Payment").

(Subsection 4.2 of the Area Representative Agreement.)

Franchise Advertising Council. We currently do not have a Franchise Advertising Council ("FAC"). While we are not required to do so, we reserve the right to maintain a FAC. The FAC would provide advice to us on various matters, including advertising. The FAC would serve in an advisory capacity only and would have no operational or decision-making power. We would appoint the members of the FAC and have the power to change or dissolve it at any time.

Approval of Prospective Franchisees. We will promptly process all applications of Prospects that you forward to us. We will decide in our sole discretion on whether to award a franchise to a Prospect after considering whether the Prospect meets our educational, professional, managerial, business, financial, and other qualifications that we may require for new Developers and Franchisees. (Subsection 2.2(c) of the Area Representative Agreement.)

Collection of Initial and Ongoing Fees. We will provide for the collection of all initial and ongoing fees from the area developers and unit franchisees in your Service Area and the payment of your share of these fees to you as provided in Section 4.2 of the Area Representative Agreement. (Subsection 2.2(d) of the Area Representative Agreement.)

Assistance by Telephone or E-Mail. We will provide you with informational assistance by telephone and e-mail including consultation on matters involving your operations, advertising and business methods. (Subsection 2.2(e) of the Area Representative Agreement.)

Referral of Prospects. We will refer to you all inquiries we receive from Prospects that reside in the Service Area or plan to open a unit franchise within the Service Area. If you are not available for response, you must advise your staff, unit franchisees and us 15 days in advance of dates you will not be available to respond promptly to inquiries. You should set up auto responder for days of departure with alternative contact information in case of emergency (but not us unless we agreed in writing in advance). If period of unavailability is more than 2 weeks, you must notify us in writing in advance. If you fail to do this, we have the right to deal directly with the Prospect. If the Prospect with whom we have dealt purchases area development and/or unit franchise rights from us, without your involvement, we will pay you the Royalty Fee Payment as provided in Subsection 4.2(a)(iii) of the Area Representative Agreement, provided you service and support the unit franchise, but you will not receive the Initial Franchise Fee Payment or any Development Fee Payment. (Subsection 2.2(g) of the Area Representative Agreement.)

Discovery Days. All qualified Prospects must attend our "Discovery Day" at our headquarters, which you must attend. You are responsible for your costs to conduct and attend Discovery Days. The Prospect is responsible for his or her cost for travel, meals and lodging in attending a Discovery Day. (Subsection 3.2(i) of the Area Representative Agreement.)

Initial Training of Franchisees. We will provide initial training to the unit franchisees you service in accordance with the Unit Franchise Disclosure Document. (Section 2.5 of the Area Representative Agreement.)

OPTIONAL ASSISTANCE AFTER OPENING

Provided you are not in default under your Area Representative Agreement, we may perform the following obligations:

Refresher or Additional Training. We may provide you refresher and additional training programs at our principal training center, which may be required, at our option. Training will not be required more often than once a year. You are solely responsible for all expenses associated with these programs, including the then prevailing standard rates we charge for these programs and your travel, meals and lodging costs. (Subsection 2.1(e) of the Area Representative Agreement.)

Periodic Assistance. We may provide you continuing advisory assistance in the promotion of unit franchises and area development rights that we deem advisable. (Subsection 2.2(f) of the Area Representative Agreement.)

ADVERTISING PROGRAMS AREA REPRESENTATIVE AGREEMENT

ADVERTISING FOR FRANCHISEES

You will spend a minimum of $10,000 per calendar year advertising the availability of unit franchises and area development rights, and you will provide us with satisfactory proof of these expenditures, upon our request. You must obtain our prior written approval of your advertising materials and programs. You will submit to us before use and we will file and obtain the prior approval of any state agency that has jurisdiction over advertising that you have prepared directed towards Prospects. You will not make any oral or written statement, promise, guarantee, representation, understanding or other agreement that is outside of, or inconsistent with, the terms of the Unit Franchise Disclosure Document or the any marketing materials for which you have obtained our prior, written approval. (Subsection 3.2(c) of the Area Representative Agreement.)

TRADE SHOWS

You will actively participate in franchise and business opportunity shows, if any, that we deem appropriate whether inside or outside your Service Area. You will purchase an appropriate franchise display booth, registration fees and marketing materials from our Approved Supplier. (Subsection 3.2(e) of the Area Representative Agreement.)

SEMINARS FOR PROSPECTIVE FRANCHISEES

At least once every year, you will arrange for and conduct regional seminars at your unit franchise location or other location within the Service Area for Prospects that you conduct according to our requirements. (Subsection 3.2(f) of the Area Representative Agreement.)

COMPUTER SYSTEM

There is no required computer system for an Area Representative other than the equipment specified in the Unit Franchise Disclosure Document.

POLICY AND PROCEDURES MANUAL

After you have signed your Area Representative Agreement and shortly before Initial Training, we will provide you a copy of our Operating Policy and Procedures Manual. Upon written request, we will provide you with the opportunity to view a copy of our Operating Policy and Procedures Manual before buying the franchise. Exhibit J contains the table of consents for our Operating Policy and Procedures Manual. Our Area Representative Manual is available upon request for you to review prior to signing the Area Representative Agreement.

TRAINING FOR AREA REPRESENTATIVES

TRAINING PROGRAM

Column 1 **Subject**	Column 2 **Hours of Classroom Training**	Column 3 **Hours of On-The-Job Training**	Column 4 **Location**
Franchise Sales/Federal and State Franchise Disclosure and Registration Laws	16	0	Our Training Center in Miami, Florida
Managing Your Region	3	0	Virtual
Totals	**19 hours**	**0 hours**	

Training Schedule and Nature of Location. We conduct the training classes on an as-needed basis at our training center located in Doral, Florida. Initial Training will occur about 15 weeks before the opening of your AR Business.

Instructional Materials. The instructional materials include the FTC Franchise Rule, state franchise registration and disclosure laws and articles, Policy and Procedures Manual, PowerPoint presentations, summary booklets and electronic media.

Experience of Instructors.

Eric Rylander - Our Vice President of Franchise Operations, has 1 to 2 years of experience in the subjects covered in the AR training program, and 4 years of experience with OrthoNOW.

Justin Irizarry - Our CFO, has 3 to 4 years of experience in the subjects covered in the AR training program, and 5 years of experience with OrthoNOW.

Christine Dura – Our Chief Development Officer, has 20 years of experience in the subjects covered in the AR training program and 2 years of experience with OrthoNOW. She has a Master's Degree in Adult Education and Training.

Your Expenses in Attending Training for Area Representatives. You are responsible for the expenses you incur in attending Initial Training for Area Representatives including all travel, lodging and meal expenses. (Subsection 2.1(a) of the Area Representative Agreement.)

Trainees. You are the only person permitted to attend Initial Training for Area Representatives. (Subsection 2.1(a) of the Franchise Agreement.) You must successfully complete the training program, to our satisfaction, before we will allow you to either open your first unit franchise or take over an existing unit franchise.

Discretionary Training Program. There is no discretionary training program.

Refresher or Additional Training/Conferences. We may provide you refresher and additional training programs at our principal training center, which may be required, at our option. Training will not be required more often than once a year. You are solely responsible for all

expenses associated with these programs, including the then prevailing standard rates we charge for these programs (currently, $1,000) and your travel, meals and lodging costs. (Subsection 2.1(e) of the Area Representative Agreement.) We may require area representatives to attend regional or annual conferences and meetings that we may develop in the future. However, you must pay all travel and lodging costs to attend. To the extent we require that you attend any conventions in the future, we will determine the cost, location, content, duration, and frequency of those programs at a later time. You will be required to pay any registration or other attendance fee associated with any conventions, in addition to all travel and lodging costs to attend.

ITEM 12 - TERRITORY

Under the Area Representative Agreement, you will assist us in the development and ongoing management of OrthoNOW Centers within a designated geographic area (the "Service Area"). Your Service Area and the minimum number of Centers you must assist in opening will be specified on a schedule to the Area Representative Agreement (the "Development Schedule"). The Service Area is usually defined by boundaries such as street boundaries, a city, county or state limits or by other reasonable boundaries. Once established, the boundaries of your Service Area will not be adjusted regardless of whether the population of your Service Area increases or decreases over time.

So long as you are in compliance with all terms of the Area Representative Agreement, we will not grant any other party the right to operate an Area Representative Business within your Service Area for the term of the Area Representative Agreement.

We and our affiliates reserve the following rights:

(1) to use and license others to use, the Marks and the System for the operation of other Area Representative Businesses at any location outside of the Service Area wherever located;

(2) to solicit prospective franchisees for the operation of OrthoNOW Centers at such locations within and outside the Service Area and on such terms and conditions as we deem appropriate; to own and operate for our own benefit OrthoNOW Centers within the Service Area, subject to our obligation to compensate you for your percentage of Service Fees as described in Item 11; and to provide pre-opening and/or ongoing support to franchisees within the Service Area;

(3) to use and license the use of alternative proprietary marks or methods in connection with the operation of businesses which may provide orthopedic and sports medicine or recurring patient care services, and other related medical services, at any location (including within the Service Area) which businesses may be the same as, similar to, or different from OrthoNOW Centers or may be in alternative methods of distribution; and

(4) to use the Marks and the System in connection with some or all of the products or services offered by OrthoNOW Centers, other services and products, or alternative channels of distribution at any location (including within the Service Area).

We are not required to pay you if we exercise any of the rights specified above inside or outside your Service Area.

You will operate from one site approved by us and must receive our permission before relocating. We will grant approval to relocate if you are in compliance with the Area Representative Agreement.

Your right to establish additional OrthoNOW Businesses under the Area Representative Agreement is dependent on you meeting your Development Schedule. If you fail to meet your Development Schedule, we can terminate your Area Representative Agreement. Except as described in the Development Schedule, we do not grant you any options, rights of first refusal or similar rights to acquire additional franchises.

You may not solicit franchises for OrthoNOW Centers located outside of your Service Area. You may not use other channels of distribution, such as the Internet, catalog sales, telemarketing, or other direct marketing, to make sales outside of your Service Area.

Except as described above, there are no restrictions on our ability to solicit or accept orders from customers inside your Service Area. Except for the Area Representative Schedule described above, you do not need to meet any particular sales volume in order to keep your territorial rights.

ITEM 13 - TRADEMARKS

FEDERAL REGISTRATIONS ON PRINCIPAL REGISTER

We grant you the right to use certain Marks under the Franchise Agreement. Our affiliate, BHS, owns the following Principal Trademark registered on the Principal Register of the United States Patent and Trademark Office that we sublicense to you for your use in operating the AR Business under the Area Representative Agreement:

Service Mark and/or Trademark	Class	Registration #	Date
OrthoNOW	44	3,960,972	May 17, 2011

We own the registration of the following Mark, which is registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"):

Service Mark and/or Trademark	Class	Registration #	Date
WE KEEP YOU MOVING	44	5,150,893	February 28, 2017

RENEWAL OF FEDERAL REGISTRATIONS

We and BHS intend to timely file with the USPTO all required affidavits of use and an affidavit of incontestability, when due, for the above Marks.

COMMON LAW RIGHTS

BHS has used the Principal Trademark and has acquired common law rights in the Principal Trademark based on this use.

MATERIAL DETERMINATIONS AND PROCEEDINGS

There are no currently effective material determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court. There is no currently pending infringement, opposition or cancellation proceeding in which we unsuccessfully sought to prevent registration in order to protect the Principal Trademark we sublicense to you.

PENDING TRADEMARK LITIGATION

There is no currently pending material federal or state court litigation involving our use of, or ownership rights in, the Principal Trademark.

CURRENTLY EFFECTIVE AGREEMENTS

BHS owns the Principal Trademark, the other Intellectual Property and the Business System. BHS licenses to us the right to sublicense the Principal Trademark, the other Intellectual Property and the Business System to Franchise Businesses throughout the United States under a License Agreement dated November 30, 2012. The License Agreement is for an initial term of 20 years and automatically renews for unlimited periods of 1 year each. The License Agreement can be terminated on the order of any governmental agency having jurisdiction over the services associated with the Marks, if we file for or have filed against us, a petition in bankruptcy or similar proceedings, or if we breach the License Agreement. If we ever lose our rights to the Marks, BHS is required under the License Agreement to allow our franchisees to maintain their rights to use the Marks in accordance with their franchise agreements, and the franchise agreements will be assigned to BHS. The Area Representative Agreement will also be assigned.

OUR INDEMNIFICATION OF YOU FOR CLAIMS

If there is any claim of infringement, unfair competition or other challenge to your right to use the Principal Trademark or any of the other Intellectual Property, or if you become aware of any use of, or claims to, any of the Intellectual Property by persons other than us or our Franchisees, you will promptly (within 7 days) notify us in writing. You will not communicate with anyone except our counsel and us on any infringement, challenge or claim except under judicial process. We have sole discretion as to whether we take any action on any infringement, challenge or claim. We have the sole right to control any litigation or other proceeding arising out of any infringement of, challenge to, or claim to any Intellectual Property. You must sign all documents, render all assistance, and do all acts that our attorneys deem necessary or advisable in order to protect and maintain our interest in any litigation or proceeding involving the Intellectual Property or otherwise to protect and maintain our interests in the Intellectual Property. We indemnify you against and will reimburse you for all damages and costs (including reasonable attorneys' fees and costs) for which you are held liable in any proceeding based on your use of any of the Intellectual Property in accordance with the Franchise Agreement, provided you: (a) have timely notified us of the claim or proceeding; (b) have otherwise complied with the Franchise Agreement; (c) allow us

sole control of the defense and settlement of the action; and (d) cooperate fully with our counsel in the defense of the action.

MODIFICATION OF PRINCIPAL TRADEMARK

If we deem it advisable to modify or discontinue the use of the Principal Trademark or other Intellectual Property and/or use an additional or substitute name or mark, including due to the rejection of any pending application for registration or revocation of any existing registration of any of the Intellectual Property, due to the rights of senior users, our negligence or a radical change in direction of the Business System we unilaterally cause or mandate, you are obligated to do so at your expense within 30 days of our request. We will only be liable to reimburse you for your reasonable direct printing and signage expenses in modifying or discontinuing the use of the principal trademark and substituting a different principal trademark. These expenses do not include expenditures you make to promote the modified or substituted principal trademark. If the modification or discontinuation of the use of the Principal Trademark or other Intellectual Property is due to a continuing need to modernize the Business System, you will be liable for all expenses in substituting the modified or new Intellectual Property in your Franchise Business, subject to the Capital Expenditure Limitation.

SUPERIOR PRIOR RIGHTS OR INFRINGING USES

There are no superior prior rights or infringing uses actually known to us that could materially affect your use of the Principal Trademark. However, our registration of the Principal Trademark does not prohibit others from using the Principal Trademark or confusingly similar variations of the Principal Trademark who may have established prior rights to the use of the Principal Trademark, or confusingly similar variations of the Principal Trademark, in those territories where neither we nor our Franchisees have operated or advertised under the Principal Trademark and that are not within the natural zone of expansion for future Franchised Units or Company-Owned Units; provided others do so in good faith and without actual knowledge of our existence or our Franchisees' use of the Principal Trademark. We would therefore be unable to prohibit the use of the Principal Trademark by others who had prior use of the Principal Trademark or confusingly similar variations of the Principal Trademark when we first used them. If others establish prior rights to the Principal Trademark in certain territories, we may be restricted in our ability to use and sublicense the use of the Principal Trademark when expanding into those territories.

ITEM 14 - PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

PATENTS

No patents are material to the Franchised Business or your operation of the Franchised Business.

COPYRIGHTS

We claim copyright protection covering various materials used in our business and the development, management and operation of OrthoNOW Centers, including advertising, and promotional materials, the Manual, and similar materials (discussed below). We have not registered these copyrights in the United States Registrar of Copyrights but we may do so in our sole discretion. We prohibit you from attempting to register with the United States Copyright

Office any works you create relative to the Franchise Business. You will not otherwise claim authorship or exclusive ownership of any of the works.

We loan you the Policy and Procedures Manual as discussed in ITEM 11.

MATERIAL DETERMINATIONS

There are currently no effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. No agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

Any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must sign those documents (and, if necessary, require your independent contractors to sign those documents) that may be deemed reasonably necessary by us to give effect to this requirement.

CURRENTLY EFFECTIVE AGREEMENTS

There are no currently effective agreements between us and third parties pertaining to our Copyrights that will or may significantly limit your use of our copyrighted materials except the License Agreement (see "Currently Effective Agreements," p. 16 above).

OUR INDEMNIFICATION OF YOU FOR CLAIMS

If there is any claim of copyright infringement, unfair competition or other challenge to your right to use of any Copyright, or if you become aware of any use of, or claims to, any Copyright by persons other than us or our Franchisees, you will promptly (within 7 days) notify us in writing. You will not communicate with anyone except our counsel and us on any infringement, challenge or claim except under judicial process. We have sole discretion as to whether we take any action on any infringement, challenge or claim. We have the sole right to control any litigation or other proceeding arising out of any infringement of, challenge to, or claim to any Copyright. You must sign all documents, render all assistance, and do all acts that our attorneys deem necessary or advisable in order to protect and maintain our interest in any litigation or proceeding involving the Copyright or otherwise to protect and maintain our interests in the Copyright. We indemnify you against and will reimburse you for all damages and costs (including reasonable attorneys' fees and costs) for which you are held liable in any proceeding based on your use of any Copyright in accordance with the Area Representative Agreement, provided you: (a) have timely notified us of the claim or proceeding; (b) have otherwise complied with the Area Representative Agreement; (c) allow us sole control of the defense and settlement of the action; and (d) cooperate fully with our counsel in the defense of the action.

MODIFICATION

If we deem it advisable to modify or discontinue use of any copyrighted work and/or use one or more new or derivative copyrighted works, you must do so and our sole obligation in this event is to reimburse you for your tangible costs (for example, changing materials) of complying with this obligation.

INFRINGING USES

We are not aware of any infringing uses that could materially affect your use of the patents or copyrights in the state where your Franchise Business is to be located.

PROPRIETARY RIGHTS IN CONFIDENTIAL INFORMATION AND TRADE SECRETS

The Policy and Procedures Manual and other copyrighted materials we make available to you contain confidential and proprietary information and are our trade secrets. We possess and will continue to develop and acquire confidential and proprietary information, and trade secrets. The confidential information consists of the following categories of information, methods, techniques, procedures and knowledge we, our affiliates, or our Franchisees develop (collectively, the "Confidential Information") including: (a) our methods, techniques, tools, specifications, standards, policies, procedures, information, concepts, systems, and knowledge of the experience in our development, operation and franchising; (b) our marketing and promotional programs for Franchise Businesses; (c) knowledge of specifications for and knowledge of our suppliers of certain materials, equipment, furniture and fixtures for a Franchise Business; and (d) knowledge of our customer lists, operating results and financial performance.

We will disclose to you the Confidential Information required for the operation of the Franchise Business during AR Training, in the Policy and Procedures Manual, and in the guidance and assistance that we furnish you, and you may learn of additional Confidential Information. You may disclose the Confidential Information to your employees or other persons only to the extent reasonably necessary and provided the person has signed our form of Confidentiality and Non-Competition Agreement contained in the Policy and Procedures Manual before disclosure. You agree, during and after the Initial Term, that you, your Owners, employees and independent contractors will: (i) not use the Confidential Information in any other business or capacity, including any derivative or spin-off of the orthopedic and sports medicine center; (ii) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the Initial Term; (iii) not make unauthorized copies of any portion of the Confidential Information disclosed or recorded in written or other tangible form or electronic form; and (iv) adopt and implement all procedures that we require to prevent unauthorized use or disclosure of, or access to, the Confidential Information. You agree that any suggestions you make that we incorporate into the Business System are our exclusive property.

Nothing contained in the Area Representative Agreement prohibits you from using the Confidential Information in the operation of your AR Business under the terms of your Area Representative Agreement.

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

YOUR PERSONAL PARTICIPATION

You must develop your Development Area according to the Development Quota (See ITEM 12). We require that you (or your Operating Owner) personally supervise your development of OrthoNOW® Centers that you develop. You also must hire sufficient personnel to manage and supervise the development of all of your OrthoNOW® Centers. The personnel need not have an equity interest in any OrthoNOW® Center (or in you) but must attend our initial training program. If you are a corporation, limited liability company, or other business entity, your owners must personally guarantee and be personally liable for the breach of your obligations under the Area Development Agreement.

We will grant franchises under the Area Development Agreement only to you or your Affiliated Entities. "Affiliated Entity" means a corporation, limited liability company, or other business entity of which you or one or more of your owners own at least 51% of the total authorized ownership interests. Franchises that we grant to your Affiliated Entities will count toward your Development Quota.

BUSINESS ENTITY FRANCHISEE

If you are a Business Entity, we recommend that one or more of the Equity Owners participate personally in the direct operation of the Business. You are solely liable and responsible for the operation of the AR Business in accordance with the terms of the Area Representative Agreement and the Manual. All Equity Owners owning more than 10% of the equity interests in the Business Entity must personally guaranty the Area Representative's obligations under the Area Representative Agreement and all other agreements by signing the Guaranty of Area Representative's Obligations included in Exhibit E.

DESIGNATED REPRESENTATIVE

If this Agreement is signed by 2 or more individuals or by a Business Entity, you agree to designate in writing 1 individual or an Equity Owner as your representative (the "Designated Representative") upon signing the Area Representative Agreement. We have the right to rely solely on instructions of the Designated Representative concerning the operation of the AR Business until we receive a duly signed written notice changing the Designated Representative.

RESTRICTIONS ON MANAGER AND OTHER EMPLOYEES

Any Manager and other employees having access to our Policy and Procedures Manual and other Confidential Information must sign the Confidentiality and Non-Competition Agreement included in the Policy and Procedures Manual.

ITEM 16 - RESTRICTIONS ON WHAT THE AREA REPRESENTATIVE MAY SELL

As an Area Representative you may only offer and sell OrthoNOW unit franchises and development rights pursuant to the Unit Franchise Agreements and Area Development Agreements we provide to your Prospects. See the Unit Franchise Disclosure Document for limitations on what you may sell at your unit franchises.

ITEM 17 - RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE AREA REPRESENTATIVE RELATIONSHIP

This table lists certain important provisions of the Area Representative Agreement. You should read these provisions in the Area Representative Agreement attached to this Franchise Disclosure Document.

Provision	Section in Area Representative Agreement	Summary
a. Length of area representative rights term	Section 9.1	The initial term of the Area Representative Agreement is 10 years.
b. Renewal or extension of the term[1]	Section 9.2	You have the right to renew the Area Representative Agreement for an additional 10-year term provided we agree on a new Development Schedule.
c. Requirements for you to renew or extend	Section 9.2	1. You must timely give us written notice of your intention to exercise the option. 2. You must not be in default of your Area Representative Agreement or any other agreement with us. 3. You, within 30 days before the end of the Initial Term, sign a new Area Representative Agreement with materially different terms and conditions than in your existing Area Representative Agreement including a new Area Representative Fee and new Development Schedule. 4. You must meet our qualification and training requirements. 5. You must sign a General Release, the form of which is included in Exhibit I. You will be asked to sign a contract with materially different terms and conditions than your original contract.
d. Termination by you[1]	Section 6.1	If you have substantially complied with the Area Representative Agreement and we materially breach the Area Representative Agreement, you may give us written notice of the nature of the breach. If we do not cure the breach within 90 days, or within a longer period if the nature of the breach is such that we cannot cure within 90 days, you have the right to terminate the Area Representative Agreement.
e. Termination by us	Not Applicable	We have no right to terminate you without cause.

Provision	Section in Area Representative Agreement	Summary
without cause		
f. Termination by us with cause	Sections 6.2	We may terminate your Area Representative Agreement only with cause.
g. "Cause" defined – curable defaults	Section 6.3	Failure to open on time; failure to satisfactorily complete training; failure to pay amounts due us; abandon or fail to manage the Franchised Business for 14 consecutive days; misuse of the Marks; failure to pay taxes (unless dispute); failure to pay suppliers (unless dispute); failure to comply with System Standards, the Manuals or provisions of the Franchise Agreement; violation of any law, ordinance, rule or regulation in connection with operation of your AR Business.
h. "Cause" defined – non-curable defaults	Section 6.2	Bankruptcy; insolvency; adverse judgment; foreclosure, levy, appointment of receiver; exclusion from a federally funded healthcare program; material misrepresentation on your OrthoNOW® application; transfer in violation of the Area Representative Agreement; failure to maintain required licenses, permits or certificates; unsafe operation of the AR Business; medical licenses or controlled substance registrations are restricted, suspended or revoked; conviction of a felony; dishonest or unethical conduct; knowingly misusing the Manual or Confidential Information; failure on 3 or more occasions within 12 months to comply with the Franchise Agreement; failure on 2 or more occasions within 18 months to comply with same obligation under the Franchise Agreement.
i. Your obligations on termination/ nonrenewal[1]	ARTICLE 7	You must: 1. Pay all amounts you owe to us. 2. Return all materials to us. 3. Cease selling development rights and unit franchises. 4. Cease using all advertising materials, forms and other materials bearing our Marks. 5. Cease holding yourself out as our area representative; and take all steps necessary to disassociate yourself from us. 6. Take all steps necessary to disassociate yourself from us (except as may be necessary to perform under a still valid Unit Franchise Agreement between you and us). You must also immediately cease

Provision	Section in Area Representative Agreement	Summary
		performing services on our behalf and you are not entitled to any Continuing Payments accrued after the date of termination. We are free to sell new unit franchises, renew existing unit franchises, and enter into area representative agreements or other arrangements within the Service Area without additional obligation to you.
j. Assignment of contract by us	Section 5.1	There are no restrictions on our right to assign our interest in your Area Representative Agreement. We have the absolute right to transfer, assign or delegate all or any part of our rights or obligations under the Area Representative Agreement to any person without your consent or approval.
k. "Transfer" by you defined	Section 5.2	Transfer means any sale, assignment, transfer, conveyance or gift, whether voluntarily or involuntarily, directly or indirectly, by operation of law or otherwise, of any direct or indirect interest in your Area Representative Agreement.
l. Our approval of transfer by you	Section 5.2	You must obtain our prior written approval of a transfer
m. Conditions for our approval of transfer	Section 5.2	We have not specified any conditions that you must satisfy to obtain our approval. We may withhold our approval of a transfer in our sole discretion, as the Representative Rights we grant to you are personal to you.
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term[1]	Section 8.2	Includes a prohibition on engaging in Competitive Business (defined in Section 8.2 of Area Representative Agreement), including any business that offers orthopedic care services that are similar to the services and products authorized to be offered or sold under the Marks and the System.
r. Non-competition covenants after the	Section 8.2	Includes a prohibition on engaging in Competitive Business (defined in Section 8.2 of the Franchise

Provision	Section in Area Representative Agreement	Summary
agreement is terminated or expires[1]		Agreement), including any business that offers orthopedic care services that are similar to the services and products authorized to be offered or sold under the Marks and the System.
s. Modification of the agreement[1]	Section 11.4	A party cannot amend, supplement or change the provisions of the Area Representative Agreement except by an Amendment to Area Representative Agreement signed by the parties. Only our President has the authority to sign an Amendment to Area Representative Agreement on our behalf.
t. Integration/merger clause	Section 11.13	Only the terms of the Area Representative Agreement and other related written agreements are binding (subject to state law). Nothing in the Area Representative Agreement and any other written agreements are intended to disclaim the representations we made in this FDD. Any representations or promises outside the FDD and Area Representative Agreement may not be enforceable.
u. Dispute resolution[1]	Section 11.3	Except for certain claims, all disputes not first settled informally or through non-binding mediation must be arbitrated in Miami, Florida, under rules of the American Arbitration Association, subject to applicable state laws.
v. Choice of forum[1]	Section 11.3	Subject to state law, any litigation or arbitration proceeding to enforce the Area Representative Agreement must be filed in the courts and arbitration board where our principal business address is located when litigation or a demand for arbitration is filed (currently Miami-Dade County, Florida).
w. Choice of law[1]	Section 11.3	Subject to state law and except to the extent governed by the United States Trademark Act of 1946, the United States Copyright Act or the United States Arbitration Act, the Area Representative Agreement is interpreted under the laws of Florida.

NOTES

1. See Exhibits A and D to this Franchise Disclosure Document for certain state-specific requirements.

ITEM 18 - PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19 – FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Susana Rylander, (305) 537-7272, 3650 NW 82nd Avenue, Suite 103, Doral Florida, 33166, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20 – OUTLET AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary[1]
for Years 2015, 2016 and 2017

Outlet Type	Year	Units at the Start of the Year	Units at the End of the Year	Net Change
Franchised	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Company-Owned	2015	0	0	0
	2016	0	0	0
	2017	0	0	0
Total Outlets	**2015**	**0**	**0**	**0**
	2016	**0**	**0**	**0**
	2017	**0**	**0**	**0**

[1] The outlets referenced in this Item are OrthoNOW area representative businesses. Please see the Unit Franchise Disclosure Document for information regarding the opening of unit franchises and company-owned OrthoNOW Centers.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2015, 2016 and 2017

State	Year	Number of Transfers
Florida	2014	0
	2015	0
	2016	0
Total	**2014**	**0**
	2015	**0**
	2016	**0**

Table No. 3

Status of Franchised Outlets
for Years 2015, 2016 and 2017

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations -Other Reasons	Outlets at End of the Year
Florida	2015	0	0	0	0	0	0	0
	2016	0	0	0	0	0	0	0
	2017	0	0	0	0	0	0	0
Totals	**2015**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2016	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2017	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 4

Status of Company-Owned Outlets
For Years 2015, 2016 and 2017

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
Florida	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
	2017	0	0	0	0	0	0
Totals	**2015**	**0**	**0**	**0**	**0**	**0**	**0**
	2016	**0**	**0**	**0**	**0**	**0**	**0**
	2017	**0**	**0**	**0**	**0**	**0**	**0**

Table No .5

Projected Openings as of December 31, 2017

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
California	0	1	0
Florida	0	1	0
Illinois	0	1	0
Michigan	1	1	0
Texas	0	1	0
TOTALS	**1**	**5**	**0**

LIST OF CURRENT AREA REPRESENTATIVES

Exhibit G contains the names, addresses and telephone numbers of all AR Businesses under an Area Representative Agreement with us.

LIST OF FORMER AREA REPRESENTATIVES

No Area Representatives have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under an Area Representative Agreement during the most recently completed fiscal year (since December 31, 2017) or have not communicated with us within 10 weeks of the effective date of this Franchise Disclosure Document. See Exhibit G.

YOUR CONTACT INFORMATION

If you buy these Area Representative Rights, your contact information may be disclosed to other buyers when you leave the franchise system.

CONFIDENTIALITY AGREEMENTS

During the last 3 fiscal years, no current or former Area Representatives have signed confidentiality clauses that restrict them from discussing with you their experiences as an Area Representative in our franchise system.

TRADEMARK-SPECIFIC FRANCHISEE ORGANIZATIONS

The name, address, telephone number, e-mail address, and Web address (to the extent known) of each trademark-specific franchisee organization associated with the franchise system:

None.

ITEM 21 - FINANCIAL STATEMENTS

Included in Exhibit H are audited financial statements for the years ended December 31, 2017, December 31, 2016 and December 31, 2015.

Our fiscal year ends December 31.

ITEM 22 - CONTRACTS

The following contracts, agreements and other relevant documents are attached as Exhibits to this Franchise Disclosure Document:

C	Area Representative Agreement
D	State Addenda to Area Representative Agreement (if applicable)
E	Guaranty of Area Representative's Obligations
F	Area Representative Closing Questionnaire

ITEM 23 - RECEIPTS

The last two pages of this Disclosure Document (Exhibit M) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this Disclosure Document.

EXHIBIT A – STATE ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT

The States of California, Hawaii, Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, Virginia and Washington require that we amend the Franchise Disclosure Document and Area Representative Agreement to conform to their state's franchise laws as part of the state's registration and approval of the offering of Area Representative Rights. We must do this before we offer or sell any Area Representative Rights to a resident of one of these states or whose Service Area includes one or more of these states.

CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS INVOLVING THE SALE OF AREA REPRESENTATIVE RIGHTS BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT ("FDD").

2. Neither we, nor any person in ITEM 2 of the FDD is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. § 78 *et seq.*, suspending or expelling these persons from membership in that association or exchange.

3. California Business and Professions Code §§ 20000 through 20043 provides you rights concerning termination or nonrenewal of Area Representative Rights. If the Area Representative Agreement contains a provision that is inconsistent with the law, the law controls.

4. The Area Representative Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. § 101 *et seq.).*

5. The Area Representative Agreement contains a covenant not to compete, which extends beyond the termination of the Area Representative. This provision may not be enforceable under California law.

6. The Area Representative Agreement requires binding arbitration. The arbitration will occur in Lee County, Florida with the costs being borne by the non-prevailing party. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code § 20040.5, Code of Civil Procedure § 1281, and the Federal Arbitration Act) to any provisions of an Area Representative Agreement restricting venue to a forum outside the State of California.

7. The Area Representative Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

8. Section 31125 of the California Corporations Code requires us to give you a Franchise Disclosure Document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing Area Representative Agreement (California Corporation Code §§ 31000 through 31516).

10. Business and Professions Code § 20010 voids a waiver of your rights under the Franchise Relations Act. (Business and Professions Code §§ 2000 through 20043.)

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

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

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. Any condition, stipulation, or provision purporting to bind any person acquiring Area Representative Rights to waive compliance with any provision of this Act or any other law of this State is void.

2. ITEM 17 (v) and (w), respectively, are amended to add the following paragraphs:

(v) Section 4 of the Illinois Franchise Disclosure Act dictates that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void as to any cause of action that otherwise is enforceable in this State, but a franchise agreement may provide for arbitration in a forum outside of this State.

(w) Any governing law or choice of law clause granting authority to a state other than Illinois effectively negates the Illinois Franchise Disclosure Act. The Area Representative Agreement will be interpreted and construed under Illinois law.

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. ITEM 17(c)(7) is amended to add the following sentence:

The general release required as a condition of renewal, sale and/or assignment/transfer does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. ITEM 17(h) is amended to add the following sentence:

The provision in the Area Representative Agreement that provides for termination upon your bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 *et seq.*).

3. ITEM 17(m)(3) is amended to add the following sentence:

The general release required as a condition of renewal, sale and/or assignment/transfer does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. ITEM 17(v) is amended to replace the existing Summary language with the following sentence:

You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of Area Representative Rights. All other claims and those claims that must be submitted to arbitration must be filed in the courts where our principal business address is located when the action is filed.

5. The Franchise Disclosure Document is amended to state:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

6. The Franchise Disclosure Document is amended to state:

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 Area Representative Agreement.

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. ITEM 13 is amended by the addition of the following language to the original language:

Trademark Indemnification

The Minnesota Department of Commerce requires that we indemnify you against liability to third parties from claims by third parties that your use of our trademark infringes trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of the Area Representative Agreement, and you must provide notice to us of any claim within 10 days and tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

2. ITEMS 17(c) and (g) are amended by addition of the following language:

Termination and Non-Renewal; Transfer

With respect to franchises governed by Minnesota Law, we will comply with Minnesota Statutes, Section 80C.14, Subsections 3, 4 and 5, which require (except in certain specified cases) that you be given 90 days' written notice of termination (with 60 days to cure) and 180 days' written notice of non-renewal of the Area Representative Agreement; and that consent to the transfer of the AR Business will not be unreasonably withheld.

3. ITEMS 17(c) and (m) are amended by addition of the following language:

General Release

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring an area representative to assent to a general release.

4. ITEM 17(u) is amended by addition of the following language:

Limitation of Actions

No action may be commenced under Minnesota Statutes, Section 80C.17, Subd. 5 more than 3 years after the cause of action accrues.

5. ITEMS 17(v), (w) are amended by the addition of the following language:

Governing Law, Jurisdiction and Venue, and Choice of Forum

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or the Area Representative Agreement or any other agreement between the parties can

abrogate or reduce any of your rights as provided in Minnesota Statutes, chapter 80C, or area representative's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE

1. All references made herein to a Franchise Disclosure Document (FDD) shall be amended refer to an Offering Prospectus.

2. ITEM 3 is amended to add the following paragraph:

Neither the Franchisor, its Predecessor, a person identified in ITEM 2, nor an Affiliate offering Franchises under the Franchisor's principal trademark:

A. 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. 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.

C. 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. ITEM 4 is amended to add the following paragraph:

Neither the Franchisor or any predecessor, officer or general partner of the Franchisor has, during the 10-year period immediately preceding the date of the Offering Prospectus, been adjudged bankrupt or reorganized due to insolvency, or was a principal office of the company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency during or within one year after the period that any officer or general partner of the Franchisor held that position in that company or partnership, or when any bankruptcy or reorganization proceeding has been commenced.

4. ITEM 8, **Revisions to Manuals** is amended to add the following sentence:

However, no changes to the Manuals will be made that would impose an unreasonable economic burden on you or unreasonably increase your obligations.

5. ITEM 17(c)(6) is amended to add the following:

; provided, however that all rights you enjoy and any causes of action from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under it will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

6. ITEM 17(d) is amended to add the following sentence:

You may terminate the Area Representative Agreement on any ground available by law.

7. ITEM 17(j) is amended to add the following sentence:

No assignment will be made except to an assignee that, in our good faith judgment is able to assume our obligation under the Area Representative Agreement.

8. ITEM 17(m)(3) is amended to add the following:

; provided, however that all rights enjoyed by you and any causes of action from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued under it will remain in force; it being the intent of this proviso that the non-waiver provisions of GBL 687.4 and 687.5 be satisfied.

9. ITEM 17(u) is amended to add the following paragraph:

Your agreement to our right to obtain injunctive and other relief for your breach of covenants not to compete and non-disclosure covenants contemplates only our right to obtain injunctive and other relief, only after the proper proofs are made and the appropriate judicial or arbitrative authority grants the relief. Nothing in these provisions constitute a waiver by you of your right to defend any action.

10. ITEM 17(v) is amended to add the following paragraph:

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

NEW YORK MATERIAL FACT STATEMENT

WE REPRESENT THAT THIS OFFERING PROSPECTUS DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. ITEM 17(h) is amended to read as follows:

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for us to cancel an Area Representative Agreement without reasonable cause. If any ground for default or termination stated in the Area Representative Agreement does not constitute "reasonable cause" as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. ITEM 17(x) is amended to read as follows:

Virginia law applies.

WASHINGTON ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

STATE OF WASHINGTON FRANCHISEE'S TERMINATION AND RENEWAL RIGHTS
RCW 19.100.180(2) (g), (i) and (j)

GENERAL RELEASE

Any provisions regarding your signing a general release of any claims against us does not apply to a release of any claims arising under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act including the right to a jury trial may not be enforceable.

RENEWAL

We will not refuse to renew an area representative relationship without fairly compensating you for the fair market value of your inventory, supplies, equipment, and furnishings purchased from us and goodwill when the Area Representative Agreement expires, exclusive of personalized materials which have no value to us, and inventory, supplies, equipment and furnishing not reasonably required in the conduct of the AR Business. However, compensation will not be made to you for goodwill if: (a) you have been given 1 year's written notice of nonrenewal; and (b) we have agreed in writing not to enforce any covenant which restrains you from competing with us. We may offset against amounts we owe you, any amounts you owe us.

TERMINATION

We will not terminate an Area Representative Agreement before the expiration of its term except for good cause. Good cause includes your failure to comply with lawful material provisions of the Area Representative Agreement or other agreement between you and us and to cure the default after being given written notice and a reasonable opportunity, which need be at least 30 days in which to cure the default, or if the default cannot reasonably be cured in 30 days, your failure to initiate within 30 days substantial and continuing action to cure the default. After 3 willful and material breaches of the same provision of the Area Representative Agreement occurring within a 12-month period, for which you have been given written notice and an opportunity to cure, we may terminate the Area Representative Agreement upon any later willful and material breach of the same provision within the 12-month period without providing you written notice or opportunity to cure. We may terminate an Area Representative Agreement without giving you prior written notice or opportunity to cure a default if you:

I. are adjudicated a bankrupt or insolvent;

II. make an assignment for the benefit of creditors or similar disposition of the assets of the Business;

III. voluntarily abandon the AR Business; or

IV. are convicted of or plead guilty or no contest to a charge of violating any law involving the AR Business.

Upon termination for good cause, we will purchase from you at a fair market value your inventory and supplies, exclusive of:

I. personalized materials that have no value to us;

II. inventory and supplies not reasonably required in the conduct of the AR Business; and

III. if you retain control of the Premises of the AR Business, any inventory and supplies not purchased from us or on our express requirement.

We may offset against any amount we owe you, any amounts you owe us.

EXHIBIT B -LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

STATE AND FEDERAL REGULATORY AUTHORITIES

FEDERAL TRADE COMMISSION
Franchise Rule Coordinator
Federal Trade Commission Division of Marketing Practices
Pennsylvania Avenue at Sixth Street, N.W., Room 238
Washington, D.C. 20580
Telephone: (202) 326-2970

CALIFORNIA:
Jan Lynn Owen
Department of Business Oversight
320 West 4th St., Ste. 750
Los Angeles, California 90013
Telephone: (213) 576-7500 or
Toll Free Telephone: (866) 275-2677

CONNECTICUT:
Eric Wilder, Director of Securities
Connecticut Department of Banking
Securities and Business Investment Division
260 Constitution Plaza
Hartford, CT 06103-1800
Telephone: (860) 240-8233

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

ILLINOIS (Registered Agent):
Tanya Solov, Director of Securities
Office of the Secretary of State
Securities Department
69 West Washington Street, Suite 1220
Chicago, IL 60602
Telephone: (312) 793-3884

ILLINOIS (Regulatory Authority):
Lisa Madigan
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
Telephone: (217) 782-4465

INDIANA:
Chris Naylor, Securities Commissioner
Franchise Section
Indiana Securities Division
Secretary of State
Room E-111
302 West Washington Street
Indianapolis, IN 46204
Telephone: (317) 232-6681

IOWA:
Jim Mumford, Securities Administrator
Director of Regulated Industries Unit
Iowa Securities Bureau
330 Maple Street
Des Moines, IA 50319-0066
Telephone: (515) 281-5705

MARYLAND (Registered Agent):
Maryland Securities Commissioner
200 St. Paul Place,
Baltimore, Maryland 21202-2020
Telephone: (410) 576-6360

MARYLAND (Regulatory Authority):
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, MD 21202-2020
Telephone: (410) 576-6360

MICHIGAN (Regulatory Authority):
Consumer Protection Division
Antitrust and Franchise Unit
Michigan Department of Attorney General
525 W. Ottawa Street
Lansing, MI 48909
Telephone: (517) 373-1152

MICHIGAN (Registered Agent):
Linda Cena, Securities Director
Office of Financial & Insurance Regulation
525 West Allegan
1st Floor Constitution Hall
Lansing, MI 48909
Telephone: (517) 241-6345

MINNESOTA:
Commissioner of Commerce
Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
Telephone: (651) 539-1600

NEW YORK (Regulatory Authority)
New York State Department of Law
Investor Protection Bureau
28 Liberty St., 21st Floor
New York, New York 10005
Telephone: (212) 416-8236

NEW YORK (Agent for Service of Process)
Secretary of State
99 Washington Avenue Albany, NY 12231

NORTH DAKOTA:
North Dakota Securities Department
Fifth Floor State Capitol
Dept. 414
600 East Boulevard
Bismarck, ND 58505-0510
Telephone: (701) 328-2910

OKLAHOMA:
Oklahoma Securities Dept.
First National Center
120 N. Robinson Suite 860
Oklahoma City, OK 73102
Telephone: (405) 280-7700

RHODE ISLAND:
Division of Securities
233 Richmond Street, Suite 232
Providence, RI 02903
Telephone: (401) 222-3048

SOUTH DAKOTA:
Department of Labor and Regulation
Division of Insurance
124 S. Euclid Suite 104
Pierre, SD 57501
Telephone: (605) 773-3563

TEXAS:
Hope Andrade
Secretary of State
P.O. Box 12697
Austin, TX 78711-2697
Telephone: (512) 463-5701

UTAH:
Division of Consumer Protection
Utah Department of Commerce
160 East 300 South
SM Box 146704
Salt Lake City, UT 84114-6704
Telephone: (801) 530-6601

VIRGINIA (Registered Agent):
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9733

VIRGINIA (Regulatory Authority)
State Corporation Commission,
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

WASHINGTON:
Department of Financial Institutions
Securities Division
150 Israel Road, SW
Olympia, WA 98501
Telephone: (360) 902-8760

WISCONSIN:
Franchise Office
Wisconsin Securities Commission
P.O. Box 1768
Madison, WI 53701
Telephone: (608) 266-3364

OrthoNOW®
We keep you moving.®

ORTHONOW AREA REPRESENTATIVE AGREEMENT

between

OrthoNOW, LLC,
a Florida limited liability company

(Franchisor)

and

_____

(Representative)

Dated: _____

Service Area: _____

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\EXHIBIT A DEVELOPMENT SCHEDULE
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OHIO FRANCHISEE NOTICE OF RIGHT TO CANCEL

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to ORTHONOW, LLC, 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166, 305-537-7272, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date)_____

OrthoNOW®
We keep you moving.®

ORTHONOW AREA REPRESENTATIVE AGREEMENT

THIS AREA REPRESENTATIVE AGREEMENT is signed on _____ between OrthoNOW, LLC, a Florida limited liability company (the "Franchisor") and _____ (the "Representative").

The Franchisor has written this Agreement in plain English to make it easier to read and to help you become thoroughly familiar with all of the important rights and obligations that the Agreement covers before you sign it. In this Agreement, the Franchisor is referred to as "we," "us" or "our." The Area Representative is referred to as "you" or "your." All capitalized terms are defined in ARTICLE 10.

BACKGROUND

A. We and our affiliates, as a result of the expenditure of time, skill, and effort have developed (and continue to develop and modify) an orthopedic care center business that provides various levels of orthopedic and sports medicine services, as well as recurring patient care services; all of which are provided by a physician, or medical personnel supervised by a physician, which may include orthopedic evaluations and treatment, lacerations, concussions, sprains, breaks, fractures, and sports medicine injuries, durable medical equipment and supplies, and case management services. Each center will be equipped with several examination rooms, X-Ray equipment, orthopedic, and musculoskeletal equipment, and may include MRI and ultrasound, on-site laboratory, an affiliated ambulatory surgical center, affiliated physical therapy capabilities and pharmacy.

B. The centers ("OrthoNOW® Centers") will operate under the "OrthoNOW®" name and Marks according to our system (the "System"). We and our affiliates use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark "OrthoNOW®" in connection with OrthoNOW® Centers, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for OrthoNOW® Centers (collectively, the "Marks"). We grant franchise owners the right to operate OrthoNOW® Centers ("Unit Franchises") under the System pursuant to our then-current agreement (the "Unit Franchise Agreement") or our area development agreement ("Area Development Agreement"), each of which may be modified by us from time to time in our sole discretion.

C. You desire, upon the terms and conditions set forth herein, to obtain the right and obligation to act as our authorized representative in actively promoting the sale of Unit Franchises within the service area specified in Exhibit A to this Agreement, and in providing services with respect to such Unit Franchises; and to own and operate at least one Unit Franchise pursuant to the form of Unit Franchise Agreement attached hereto as Exhibit C and made a part hereof by reference.

TERMS

ARTICLE 1 - APPOINTMENT

SECTION 1.1 GRANT

Subject to the terms and conditions of this Agreement, we grant you the right to act as our authorized representative solely within the service area specified in Exhibit A to this Agreement and made a part of this Agreement by reference (the "Service Area") to (i) solicit prospective franchise owners for the operation of Unit Franchises within the Service Area pursuant to a Unit Franchise Agreement; and (ii) render certain support and other services to franchises in the Service Area as described in **ARTICLE 3** hereof. The rights and obligations herein granted to you are sometimes referred to as the "Area Representative Franchise." In consideration of the rights granted in this Agreement, you shall solicit the sale of Unit Franchises and refer to us prospective Unit Franchise owners. We shall, in our sole discretion, determine the qualifications and suitability of each applicant, and we shall execute all Unit Franchise Agreements or Area Development Agreements with such prospective Unit Franchise owners. You acknowledge and agree that you shall not negotiate the terms of the Unit Franchise Agreement or Area Development Agreement on our behalf. In addition to your right and obligation to market and solicit the sale of Unit Franchises within the Service Area, you shall be responsible for performing certain of our obligations to our Unit Franchises within the Service Area pursuant to each Unit Franchise Agreement and (if applicable) Area Development Agreement between us and such Unit Franchise owner. Subject to the terms of this Agreement, we agree that we shall not, during the Term of this Agreement or any renewals of this Agreement, authorize any other party an Area Representative Franchise within the Service Area.

Section 1.2 UNIT FRANCHISE

You acknowledge and agree that our grant of the Area Representative Franchise shall include the right and obligation that contemporaneously with the execution of this Agreement you execute at least one (1) Unit Franchise Agreement for a license to own and operate an OrthoNOW® Center as a franchise owner within the Service Area; that you develop such Unit Franchise, complete training, and open such Unit Franchise within the time limits set forth in the Unit Franchise Agreement. You agree that you shall continuously operate such Unit Franchise for at least the first two (2) years of the Unit Franchise Agreement and use such Unit Franchise as provided in **ARTICLE 3** hereof for purposes of marketing Unit Franchises and servicing Unit Franchises in your Service Area.

Section 1.3 RETAINED RIGHTS

You acknowledge that the rights granted by this Agreement are nonexclusive, and we (and our affiliates and designees) retain the following right (without compensation or obligation to you unless specifically set forth in this Agreement):

(a) **Area Representative Franchises Located Outside Service Area.** We reserve the right to own and operate, and to grant others the right to own and operate, Area Representative Franchises and similar businesses offering orthopedic and sports medicine businesses under different names or marks located anywhere outside the Service Area under any terms and conditions we deem appropriate and regardless of proximity to the Service Area;

(b) **Different Business Models**. We have the right to establish and operate (and to grant to others the right to establish and operate) any other businesses offering products and services that are not the same as or similar to the products or services offered by Area Representative Franchises through similar or dissimilar channels of distribution, at any locations inside or outside the Service Area under trademarks or service marks other than the Marks (including other trademarks or service marks owned by us and any of our affiliates) and on any terms and conditions we deem appropriate;

(c) **Acquisition of Competitive Businesses**. We reserve the right to acquire the assets or ownership interests of one or more businesses that operate, and/or have granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with Area Representative Franchises and OrthoNOW® Centers, and/or the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competing orthopedic company, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Service Area, provided, however, that if we or one of our affiliates acquire such a competing business or chain, we or our affiliate will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Service Area, and it is expressly acknowledged by you and us that any such business operations of the same or similar business that existed or operated at the time of such acquisition or transaction shall not constitute a breach of the Area Representative Agreement.

(d) **OrthoNOW® Centers**. We reserve the right to solicit prospective franchise owners for the operation of Unit Franchises at such locations within and outside the Service Area and on such terms and conditions as we deem appropriate; to own and operate for our own benefit Unit Franchises within the Service Area, subject to our obligation to compensate you for your percentage of fees pursuant to **ARTICLE 3**, and subject to any territorial limitations in your Unit Franchise Agreement(s) or any other Unit Franchise owner's Unit Franchise Agreement; and to provide pre-opening and/or ongoing support to Unit Franchises within the Service Area.

Section 1.4 DEVELOPMENT SCHEDULE

You agree to comply with the development schedule attached hereto as Exhibit A (the "Development Schedule"). If you fail to meet the Development Schedule, we may at our option (i) terminate this Agreement or (ii) terminate your development rights and the rights to receive any compensation under Section 4.2 of this Agreement, but require you to continue to service Unit Franchises in existence in your Service Area as of the date your rights to solicit further sales is terminated, and to receive royalty fees as provided in Subsection 4.2(a)(iii) hereof. The determination as to whether you have met the Development Schedule shall be made based on the number of Unit Franchises open and operating at the end of each calendar year. You agree that during the Term of this Agreement, in addition to meeting your Development Schedule, you will at all times faithfully, honestly and diligently perform your obligations hereunder and will continuously exert your best efforts to promote and enhance the development and operation of Unit Franchises within the Service Area. You further acknowledge and agree that satisfaction of the Development Schedule does not automatically mean you have complied with your obligations under this Agreement.

ARTICLE 2 - OUR DUTIES

We will provide you with the following assistance and services if you are not in default under this Agreement:

SECTION 2.1 AREA REPRESENTATIVE TRAINING

(a) **Initial Training for Area Representatives**. We will provide you 3 days of instruction at our headquarters in Miami, Florida or at a designated training center of our choice ("Initial AR Training"). Initial AR Training covers the federal and state regulation of the solicitation and advertising of Area Development Agreements and Unit Franchise Agreements; use of forms; and the service and support of Unit Franchise owners. We will provide instructors, facilities, training materials and technical training tools for Initial Training. You will complete Initial Training within 15 weeks from the Agreement Date. You are responsible for all expenses in attending Initial AR Training including all travel, lodging and meal expenses. You may not solicit Prospects before completing Initial AR Training to our satisfaction.

(b) **Failure to Attend or Complete Initial AR Training.** If you fail to attend or complete Initial AR Training to our satisfaction, we may elect to terminate this Agreement and retain the Area Representative Fee to reimburse us the training and other assistance we provided you under this Agreement and for our lost opportunities.

(c) **Content**. We solely control the content of, operation of, and manner of conducting Initial Training for Area Representatives.

(d) **Completion of Initial Training for Franchisees.** You must also attend and successfully complete Initial Training for Unit Franchise owners to more fully understand and coordinate your training and support of Unit Franchises within the Service Area and so you can operate your Unit Franchise.

(e) **Refresher or Additional Training/Conventions**. We may provide you refresher and additional training programs at our principal training center, which may be required, at our option. Training will not be required more often than once a year. You are solely responsible for all expenses associated with these programs, including the then prevailing standard rates we charge for these programs (currently $1,000) and, your travel, meals and lodging costs. Currently, we intend to require all Area Representatives to attend regional or annual conferences and meetings that we may develop in the future. We will not charge registration fees for these meetings. However, you must pay all travel and lodging costs to attend. To the extent we require that you attend any conventions in the future, we will determine the cost, location, content, duration, and frequency of those programs at a later time. You will be required to pay any registration or other attendance fee associated with any conventions, in addition to all travel and lodging costs to attend.

SECTION 2.2 OUR CONTINUED ASSISTANCE AND SUPPORT OF YOU

(a) **Unit Franchise Disclosure Document**. We will prepare and keep current the necessary Franchise Disclosure Document relative to the offer and sale of Area Development Rights and Franchises in the Service Area ("Unit Franchise Disclosure Document"). We will register the Unit Franchise Disclosure Document in your Service Area as may be required by applicable laws and regulations.

(b) **Marketing**. We will make available to you all advertising materials, layouts, forms for business cards, stationery, and other promotional items used to attract Prospects and promote

the Unit Franchises, the products and/or services offered by the Unit Franchises and the goodwill of the System. You must pay for the printing costs and advertising costs.

(c) **Approval of Prospective Franchisees**. We will promptly process all applications of Prospects that you forward to us. We shall, in our sole discretion, determine the qualifications and suitability of each Prospect, and we shall execute all Unit Franchise Agreements or Area Development Agreements with such prospective Unit Franchise owners as we deem fit, in our sole discretion.

(d) **Collection of Initial and Ongoing Fees**. We will provide for the collection of all initial and ongoing fees from the Unit Franchise owners and developers and the payment of your share of these fees to you as provided in Section 4.2.

(e) **Assistance by Telephone or E-Mail**. We will provide you with informational assistance by telephone and e-mail including consultation on matters involving operations, advertising and business methods.

(f) **Periodic Assistance**. We may provide you continuing advisory assistance that we deem advisable.

(g) **Referral of Prospects**. We will refer to you all inquiries we receive from Prospects that reside in the Service Area or plan to open a Unit Franchise within the Service Area. If you do not respond to the Prospect within 48 hours, we have the right to sell to the Prospect without your involvement. If the Prospect purchases Area Development Rights or a Unit Franchise within the Service Area, and you are not involved in the solicitation or sale of the Prospect, we will pay you the Royalty Fee Payment as provided in Subsection 4.2(a)(iii) provided you service and support the Unit Franchise but you will not be entitled to receive the Initial Franchise Fee Payment or any Development Fee Payment.

WE RESERVE THE RIGHT TO WITHHOLD FROM YOU ANY SERVICES, INFORMATION, ADVICE, CONSULTATION AND TRAINING, AND TO DENY YOU ACCESS TO OUR WEBSITE IF YOU ARE IN BREACH OF THE TERMS OF THIS AGREEMENT OR THE MANUAL.

SECTION 2.3 OUR PERFORMANCE OF YOUR DUTIES

We have the right, but not the obligation, without waiving any of our rights under this Agreement, to perform any of your duties or obligations to Unit Franchises. Upon receipt of written notice from us that you are not providing training and support to Unit Franchises in your Service Area in compliance with our Manuals, you will have five (5) days to cure said default, and you will pay us $1,000 per day per representative we use to provide services to the Unit Franchisees in your Service Area on your behalf, together with any other expenses we incur. We may offset any amounts owed by you to us if we are required to perform any of your duties or obligations under the terms of this Agreement. If we perform duties for you, without waiving any of our rights, your Royalty Fee Payments cease until you cure the default.

SECTION 2.4 DUTIES SOLELY TO YOU

All of our obligations under this Agreement are solely to you. No other party is entitled to rely on, enforce, or obtain relief for breach of these obligations directly or by subrogation.

SECTION 2.5 INITIAL TRAINING OF FRANCHISEES

We will provide Initial Training to the Unit Franchise owners and area developers in your Service Area in accordance with their Unit Franchise Agreements and Area Development Agreements.

ARTICLE 3 – YOUR DUTIES

You will perform the following duties on an exclusive, full-time, best efforts basis on our behalf:

SECTION 3.1 PURCHASE OF FRANCHISE

As a condition to becoming our Area Representative, you agree to purchase, construct and operate a Unit Franchise as set forth in Section 1.2 of this Agreement. This Unit Franchise will become your showcase unit, sales office and training center.

SECTION 3.2 FRANCHISE BROKERAGE SERVICES

(a) **Compliance with Franchise Laws**. You will comply with all applicable federal and state laws and regulations regulating the sale of franchises and the approval of advertising directed towards Prospects. You will complete and deliver to us the Franchise Seller Disclosure Form attached as Exhibit B. At your sole expense, you will register as a franchise broker in any state requiring the registration of franchise brokers (New York and Washington) and register as a "subfranchisor" in any state that defines a subfranchisor as including area representatives (Illinois). You will also file and obtain the prior approval of any state agency that has jurisdiction over advertising directed towards Prospects.

(b) **Franchise Marketing Plan**. You will develop and implement a franchise marketing plan that we approve to attract qualified Prospects within the Service Area. You must diligently check to ensure that the OrthoNOW® System is feasible and lawful within the Service Area.

(c) **Advertising for Franchisees**. You will spend a minimum $10,000 per calendar year on advertising the availability of Unit Franchises and development rights related thereto and provide us with satisfactory proof of these expenditures, upon our request. You must obtain our prior written approval of your advertising materials and programs unless they are the Authorized Materials. You will not make any oral or written statement, promise, guarantee, representation, or other agreement that is outside of, or inconsistent with, the terms of the Unit Franchise Disclosure Document or the Authorized Materials. You represent that you have read and understand our Unit Franchise Disclosure Document and that you will read and understand the Authorized Materials before using them.

(d) **CRM**. You must use our Customer Relationship Management system in dealing with Prospects and Unit Franchises.

(e) **Franchise Sales Compliance Files.** You will maintain a file for each Prospect and Unit Franchise including all letters, text messages, e-mails, notes of telephone conversations, notes of personal meetings, and other information we require. You will supply us a copy of the entire file if we request and upon the termination or expiration of this Agreement.

(f) **Trade Shows**. You will actively participate in franchise and business opportunity shows, if any, within the Service Area that we deem appropriate. You will purchase an appropriate franchise display booth from our approved supplier.

(g) **Seminars for Prospective Franchisees.** At least every 3 months, you will arrange for and conduct regional seminars at your Unit Franchise location or other location within the Service Area for Prospects, which seminar you must conduct according to our requirements.

(h) **Screening of Prospects; Our Final Approval**. You will screen Prospects to ensure they meet our qualification requirements. You will obtain completed and signed franchise applications from Prospects that you will submit to us for our processing and review. You agree that we have sole discretion to accept or reject any Prospect. We will determine the final terms of the Area Development Agreement and Unit Franchise Agreement entered into with a Prospect including all initial and ongoing fees. We reserve the right to modify the fees upon 30 days' written notice to you. You are without authority to sign any agreement on our behalf including any Area Development Agreement or Unit Franchise Agreement.

(i) **Discovery Days.** All qualified Prospects must attend our "Discovery Day" at our headquarters, which you must attend. You are responsible for your costs to participate in and attend Discovery Days. The Prospect is responsible for his or her cost for travel, meals and lodging in attending a Discovery Day.

(j) **Annual Convention**. You must attend our annual convention in Miami, Florida or other designated location. You are responsible for your cost for travel, meals and lodging in attending.

(k) **Cooperative Advertising**. We have the right at any time, and from time to time, to create cooperative advertising regions ("Cooperatives"). If and when we create a Cooperative for the geographic region in which your AR Business is located, you will become a member and participate in the Cooperative. Each Cooperative will be organized (including, but not limited to bylaws and other organizational documents) and governed in a form and manner that we set forth in writing in advance. At all meetings of the Cooperative, each participating area representative shall be entitled to one (1) vote for each AR Business located within the geographic boundaries of the Cooperative. At any time, upon reasonable notice, twenty percent (20%) of the eligible member votes, or a majority of the directors of the Cooperative, may call a meeting of all members of a Cooperative. Except as provided in Paragraph (ii) below, all matters concerning operation of a Cooperative shall be decided by majority vote, provided that a quorum is present, and such vote will bind all members of the Cooperative. A quorum shall consist of at least fifty percent (50%) of the total number of members entitled to cast votes in the Cooperative. Each Cooperative will be organized and governed in a form and manner, and will commence operations on a date, approved in advance by us, in writing, as follows:

(i) Each Cooperative will be organized for the exclusive purposes of administering regional advertising programs and developing, subject to our approval, standardized promotional materials for use by the members in local advertising; and

(ii) No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor.

(iii) Each member can be required to contribute to the Cooperative, an amount as determined by a majority of the Cooperative's members eligible to vote. In the event of the approval of Cooperative advertising contributions, each franchisee, including you, shall submit its required contribution to the Cooperative, together with such statements as may be required by the Cooperative.

(iv) Although once established, each Cooperative is intended to be of perpetual duration, we will have the right to terminate any Cooperative. A Cooperative will not be terminated, however, until all monies in that Cooperative have been expended for advertising and/or promotional purposes.

SECTION 3.3 PRE-OPENING ASSISTANCE TO FRANCHISEES

(a) **Site Selection Assistance**. In connection with a Unit Franchise owner's selection of a site for the establishment and operation of a Unit Franchise that we must approve, you must:

(i) use our standards and criteria for the threshold consideration of possible sites;

(ii) provide real estate materials and assistance as we may require;

(iii) upon request of a Unit Franchise owner, consult with the Unit Franchise owner regarding site selection and the real estate leases; and

(iv) consider and evaluate applications presented by the Unit Franchise owner for site approval and forward all relevant materials to us along with your analysis and recommendation for our final approval or disapproval of the Unit Franchise owner's proposed site. We retain sole discretion to approve or disapprove of any site proposed by you or the Unit Franchise owners within your Service Area.

(b) **Ongoing Training**. You must provide all ongoing training to the Unit Franchise owners in your Service Area in strict compliance with our training curriculum and standards.

(c) **Franchise Consultation**. You will provide pre-opening consultation to Unit Franchise owners and developers within the Service Area in matters involving site selection, construction, design and layout, and the purchase and installation of equipment, fixtures and furnishings, and staffing, credentialing and contracting consultation.

(d) **Opening of Unit Franchises**. You must assist the Unit Franchise owners within your Service Area in opening their Unit Franchises within 300 days from their execution of the Unit Franchise Agreement. You must attend the grand opening of the Unit Franchises in your Service Area.

SECTION 3.4 CONTINUED ASSISTANCE AND SUPPORT OF FRANCHISEES

(a) **Your Compliance with Our Standards, Specifications, Policies and Procedures**. You agree to follow and enforce our standards, specifications, policies and procedures set forth in the Manual. We have the sole right to make policy decisions concerning every aspect of your sales, promotions, advertising and other programs.

(b) **Unit Franchisees' Compliance with Our Standards, Specifications, Policies and Procedures.** We have created and developed special procedures, standards and methods for operating and maintaining Unit Franchises and the standards are included in the Manual. You must ensure that each Unit Franchise in your Service Area is developed and operated solely in accordance with our standards, specification, policies and procedures as set forth in the Unit Franchise Agreements and the Manual.

(c) **Personal Service, Support and Supervision.** You must provide supervision to all Unit Franchises in your Service Area. Supervision includes providing supplemental training and assistance of all material aspects of the operation of a Unit Franchise, as needed, in accordance with our requirements; periodic and regular telephone calls and visits to monitor operations of the Unit Franchises, and continuing support and advisory services to Unit Franchises. Operational assistance may consist of advice and guidance with respect to:

(i) The proper utilization of procedures developed for a Unit Franchise with respect to operations and management, products and supplies, recruitment of personnel, advertising and promotion, managing expenses, patient service, compliance with training and certification, standards and related activities as we approve and as required by the Unit Franchise Agreement and Manual;

(ii) Additional products or services authorized for Unit Franchises within the Service Area;

(iii) The purchase of equipment, products, inventory, materials, and supplies; and

(iv) The institution of proper administrative bookkeeping, accounting, inventory control, supervisory and general operating procedures for the effective operation of a Unit Franchise.

(d) **Management Team**. At your request or, if we determine that you are not fulfilling your obligations under this Agreement, we may mandate that you hire additional support staff or management team. Your management team must successfully complete Initial AR Training and Initial Training for Unit Franchise owners before communicating with the Unit Franchise owners in your Service Area. You are solely responsible for our training fees and all training-related expenses including travel meals and lodging and their salaries. Each member of your management team must also sign a Confidentiality Agreement in the form included in the Manual before assuming his or her responsibilities.

(e) **Periodic Reports**. You must advise a Unit Franchise owner of problems arising out of the operation of his or her Unit Franchise based on your required quarterly inspections by submitting written inspection reports to the Unit Franchise owner and performing follow-up inspections to ensure correction of all deficiencies.

(f) **Franchisee Seminars**. You will notify us in writing and provide an agenda at least 4 weeks before conducting any seminars for Unit Franchises in your Service Area. At our option, we may provide a representative to speak at a seminar. We will pay the cost of travel, lodging and meals for our representative.

(g) **Management and Financial Reviews**. At least every 3 months you must conduct management and financial reviews with each Unit Franchise owner using our evaluation form to determine if the Unit Franchise owner is satisfactorily performing his or her duties and obligations under the terms of the Unit Franchise Agreement. You will remit the management and financial review form together with your evaluations to us within 10 days after completion.

(h) **Books and Records**. You must keep accurate books and records of all transactions and communications between you and the Unit Franchise owners relating to the operation of each Unit Franchise in your Service Area. Our representative has the right at all reasonable hours to examine all records, and has full and free access to these records and the right to make copies of these records. All books and records must be available for at least 6 years after the termination or expiration of this Agreement for any reason whatsoever.

(i) **Sources of Supply**. If we do not have Designated Suppliers or Approved Suppliers for your Unit Franchises, you will establish and maintain sources of supplies and services for the Unit Franchises within the Service Area, including sources for leasing and financing assistance to the creditworthy Franchisees that we approve.

(j) **Other Responsibilities**. You will undertake other reasonable responsibilities we request related to the obligations we have under the Unit Franchise Agreements.

SECTION 3.5 YOUR OTHER OBLIGATIONS AND REQUIREMENTS

(a) **Informational Requests; Monthly Forecasts**. You will promptly comply with all our requests for information requests and cooperate fully with us to administer the franchise program contemplated under this Agreement. You will provide current sales information and monthly forecasts of sales of Unit Franchises in your Service Area.

(b) **Licenses.** You are responsible for complying with all licensing requirements and other applicable laws concerning the performance of your duties, for which we make no representations and warranties.

(c) **Cellular Phone**. You will maintain a cellular phone to be used for the operation of your Area Representative Franchise as we reasonably require.

(d) **Compliance with Laws**. You will comply with all federal, state, and local laws, rules and regulations, and will timely obtain, maintain and renew when required all permits, certificates or licenses necessary for the full and proper conduct of your business under this Agreement. You will forward to us copies of all inspection reports, warnings, certificates and ratings, issued by any governmental entity during the Term in the conduct of your business that indicate material non-compliance by you with any applicable law, rule or regulation within 2 days of your receipt of these items.

(e) **Tax Payments; Contested Assessments**. You will promptly pay when due all taxes levied or assessed by any federal, state or local tax authority, including unemployment taxes, withholding taxes, sales taxes, income taxes, tangible commercial personal property taxes, real estate taxes, intangible taxes and all other indebtedness incurred by you in the conduct of your business. You will pay to us or we will withhold an amount equal to any sales tax, goods and services taxes, gross receipts tax, or similar tax imposed on us for any payments to you required under this Agreement. If we pay any tax on your behalf, you will promptly reimburse us the

amount paid. Upon any *bona fide* dispute as to your liability for taxes assessed or other indebtedness, you may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, you will not permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against any assets used in your business.

(f) **Notices to Us**. You will notify us in writing within 5 days of each of the following events:

(i) The actual filing of any action, suit or proceeding against you or any of your employees;

(ii) The issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, that may adversely affect your operation, financial condition or our goodwill; or

(iii) Notice to you of a violation of any law, ordinance or regulation by your Area Representative Franchise.

If any action or proceeding is brought against you regarding your Area Representative Franchise, you will immediately provide us with copies of all pleadings, papers and material correspondence regarding the action or proceeding. You will keep us informed about the progress and outcome of the action or proceeding.

(g) **Assist in Enforcement Efforts; Temporary Management.** Upon our request, you will assist us in our enforcement efforts including the collection of delinquent accounts of Unit Franchises in the Service Area. If we expend legal fees and costs in order to bring a Unit Franchise owner into compliance, we can offset these amount against any amounts collected before the net amount is divided between us.

(h) **Termination or Expiration of Franchisees**. Upon a termination or expiration of a Unit Franchise Agreement with a Unit Franchise owner in your Service Area, you will assist in ensuring that the Unit Franchise owner complies with the post termination/expiration obligations in the Unit Franchise Agreement. Any expenses you incur are your responsibility.

SECTION 3.6 DEVELOPMENT SCHEDULE

You agree that your performance under this Agreement is measured, in part, by the number of Unit Franchise owners and developers who enter into Unit Franchise Agreements during the Term based on your efforts in accordance with the Development Schedule stated in Exhibit A. To the extent that you exceed the Development Quota in any calendar year, we will credit the number of unit franchises that exceed the Development Quota for later years in the Development Schedule. You agree that time is of the essence in fulfilling the Development Schedule.

SECTION 3.7 PUBLICITY

We have the right to take and use photographs, audio and/or video of the Area Representative Franchise for publicity, marketing, social media or for other purposes, without charge or compensation to you. The photographs, videos, and/or testimonials are our sole property. You acknowledge that we own all right, title and interest and any other rights, as permitted under

applicable law, to these photos, audio and video recordings. You agree that we may use your and, if you are a Business Entity, your Area Representative Franchise owners', names, likeness and voices in promoting the Area Representative Franchise and the System. You consent and assign to us all right, title and interest to our use of these names, likenesses and voices. You will cooperate with us in obtaining these audio, video, photographs, testimonials, and the consent of any persons included in these materials.

ARTICLE 4 – AREA REPRESENTATIVE FEE AND YOUR COMPENSATION

SECTION 4.1 AREA REPRESENTATIVE FEE

In consideration of the rights granted to you, you will pay to us $_____ (the "Area Representative Fee") at the same time this Agreement is signed. The Area Representative Fee is nonrefundable as we fully earn it in consideration for the administrative and other costs we incur and the opportunities lost or deferred.

SECTION 4.2 YOUR COMPENSATION

(a) During the Term, you are entitled to receive as your sole and exclusive compensation under this Agreement:

(i) 50% of the Development Fee paid to us by a Developer under an Area Development Agreement whose Unit Franchise will be located within your Service Area and where you were the procuring cause of the sale (the "Development Fee Payment");

(ii) 50% of the Initial Franchise Fee paid to us by a Franchisee under a Unit Franchise Agreement whose Unit Franchise will be located in your Service Area and where you were the procuring cause of the sale (the "Initial Franchise Fee Payment"); and

(iii) 50% of the Service Fee paid to us by a Franchisee under a Franchise Agreement whose Unit Franchise is located in your Service Area and you are providing the services described in Section 3.2 and 3.3 (the "Service Fee Payment")

(b) If a Prospect was referred by a broker enlisted in the Corporate National Broker Relations Program, it is your responsibility to pay all of the associated broker referral fees for Franchises awarded in your Service Area, which we can remit to the broker on your behalf.

(c) We will make these payments to you after we have received these fees from Developers and Franchisees and we have fully earned these fees, and you have serviced and continue to service these Unit Franchises as provided in this Agreement. These payments will be made monthly by the 10th day of each month based on fees we received during the previous month. You understand that, if a state imposes a deferral of the payment of all initial fees until we and you perform our respective pre-opening obligations to the franchisee, you will not receive your share of these initial payments until then.

(d) The compensation paid to you under this Agreement is your sole and exclusive compensation for the performance of your duties under this Agreement. Unless otherwise expressly provided to the contrary in this Agreement, all expenses you incur in soliciting Prospects and servicing the Franchisees as required pursuant to ARTICLE 3 are your sole expense and obligation.

(e) You agree that you are not our employee but you are an independent contractor. You have no rights to receive any employee benefits provided at any time by us including pension, life insurance, hospital and medical, disability, profit sharing, vacation or retirement benefits to any of our employees. It is your sole responsibility for all periodic filings and federal and state tax payments based on your income, including payments we make to you, including withholding taxes, FICA taxes, SECA payments, Federal Unemployment Taxes (FUTA).

(f) You have no right to continue to receive any compensation if this Agreement is terminated or expires and is not renewed other than any accrued but unpaid compensation.

ARTICLE 5 - TRANSFER OF INTEREST

SECTION 5.1 OUR TRANSFER

We have the absolute right to transfer, assign or delegate all or any part of our rights or obligations under this Agreement to any person without your consent or approval, provided the assignee takes subject to your rights under this Agreement.

SECTION 5.2 NO TRANSFER WITHOUT OUR CONSENT

The rights and duties in this Agreement are personal to you. We have granted this Agreement in reliance on your business and personal skills, reputation, aptitudes and financial capacity. Accordingly, you agree that you cannot sell, assign, transfer, convey, give or encumbered (collectively "transfer") this Agreement without our written consent (which may be granted or withheld by us in our sole and absolute discretion). You or the owner, as applicable, must pay to us a transfer fee equal to ten percent (10%) of the purchase price of the franchise or interest being purchased and reimburses us for all attorneys' fees we incurs as a result of the transfer.

However, you may transfer this Agreement to a business entity owned by you but you continue to remain personally liable for all of your obligations under this Agreement. Any purported transfer by you, by operation of law or otherwise in violation of this Agreement, is ineffective, and is a material breach of this Agreement, for which we may then terminate this Agreement without affording you an opportunity to cure.

ARTICLE 6 - DEFAULT AND TERMINATION

SECTION 6.1 TERMINATION BY YOU

If you have substantially complied with this Agreement and we materially breach this Agreement, you may give us written notice of the nature of the breach. If we do not cure the breach within 90 days or within a longer period, if the nature of the breach is such that we cannot cure within 90 days, you have the right to terminate this Agreement. You may also terminate this Agreement upon the mutual written agreement with us. Any termination of this Agreement by you other than as stated above is a wrongful termination by you.

Section 6.2 AUTOMATIC TERMINATION

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you shall become insolvent or makes a

general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the AR Business or your Unit Franchise premises or equipment is instituted against you and not dismissed within thirty (30) days; if the real or personal property of your AR Business or Unit Franchise shall be sold after levy thereupon by any sheriff, marshal, or constable; or if you (or any of your owners) are excluded from participation in any federally-funded health care program, including Medicare and Medicaid.

Section 6.3 TERMINATION UPON NOTICE WITHOUT OPPORTUNITY TO CURE

You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you, unless otherwise stated below, upon the occurrence of any of the following events:

(a) you (or any of your owners) have made or make any material misrepresentation or omission in your application for, or in acquiring, the license and franchise rights, or in operating the AR Business;

(b) you (or your owners) make or attempt to make any transfer in violation of Section 5.2;

(c) you fail to maintain any required licenses, permits, or certifications to open or operate the AR Business, or fail to comply with any federal, state, or local law regulation, or you operate the AR Business in an unsafe manner, and you do not cure or commence to cure this failure within five (5) days after you receive notice thereof;

(d) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony;

(e) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the AR Business' reputation or the goodwill associated with the Marks;

(f) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;

(g) you interfere with our relations with third parties and the ability to operate, and/or grant franchises under our System;

(h) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to

you; or (b) fail on two (2) or more separate occasions within any eighteen (18) consecutive month period to comply with the same obligation under this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you;

(i) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(j) you are in default of any other agreement with us or any of our affiliate(s), and you have failed to cure the default within the time period, if any, provided for such cure under such agreement(s).

SECTION 6.4 TERMINATION BY US WITH NOTICE AND RIGHT TO CURE

Except as otherwise provided in Sections 6.2 and 6.3 above, upon any other default by you of your obligations hereunder, including those identified below, we may terminate this Agreement by giving written notice of termination, setting forth the nature of such default to you at least thirty (30) days prior to the effective date of termination or any shorter period set forth below; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us, all within the thirty (30) day or shorter period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day or shorter period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you have an opportunity to cure the default to avoid termination:

(a) you do not open the Unit Franchise for business within the time period prescribed in the Unit Franchise Agreement;

(b) you (or your owners) do not satisfactorily complete the initial training program;

(c) you abandon or fail actively to operate the AR Business, or to assist the Unit Franchise owners within your Service Area according to our standards, for fourteen (14) or more consecutive business days, unless you close the AR Business for a purpose we approve or because of casualty or government order;

(d) you (or any of your owners) misuse our Marks without our authorization;

(e) you fail to pay when due any federal or state income, service, sales, or other taxes due on the AR Business's operation, unless you are in good faith contesting your liability for these taxes;

(f) you fail to promptly pay your suppliers, including any of our affiliate(s), when such payments are due except in connection with a good faith dispute that you have with third-party suppliers;

(g) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your OrthoNOW® Center and fail to correct such violation within seventy-two (72) hours after you receive notice from us or any other party; provided,

however, that if the violation is curable but is (a) of a nature which cannot reasonably be cured within such seventy-two (72) hour period and (b) not of a nature which presents an imminent health or safety concern, and you have commenced and are continuing to make good faith efforts to cure the violation, you will be given an additional reasonable period of time to complete the cure of the violation, not to exceed thirty (30) days, in the aggregate; provided that if the notice from the governmental agency sets a shorter time period for correction of the violation, such shorter time period shall control; or

(h) you (or any of your owners) fail to comply with any other provision of this Agreement, the Manual, or any System standard.

ARTICLE 7 – YOUR OBLIGATIONS UPON TERMINATION OR EXPIRATION

If we terminate this Agreement due to your default or upon the expiration and non-renewal of this Agreement, all rights granted to you under this Agreement terminate, and the Sections of this ARTICLE apply to the rights and obligations of the parties.

SECTION 7.1 PAYMENT OF OUTSTANDING AMOUNTS

We will pay you all Development Fee Payments and Initial Franchise Fee Payments that we owe you pursuant to Section 4.2 for all Unit Franchise or development rights sold prior to your termination where you were the procuring cause of the sale. We have the right to offset any amounts you owe us.

SECTION 7.2 RETURN OF MATERIALS

You will immediately return to us in an organized manner all Manuals, Area Representative materials, including the Authorized Materials, business records and files, and other materials related to your Area Representative Franchise that are in your possession or control. You may retain only your copy of this Agreement and related agreements and of correspondence between the parties, copies of all Area Development Agreements and Unit Franchise Agreements and copies of any other documents that you reasonably needs for compliance with any law. You will not keep a copy of the Manual or any of our proprietary and/or confidential information unless you are operating a Franchised Unit.

SECTION 7.3 CESSATION OF SALES; CESSATION OF SERVICES

Upon the termination of this Agreement due to your default or upon expiration and non-renewal, you will immediately: (i) cease selling Unit Franchises and development rights thereto; (ii) cease using all advertising materials, forms and other materials bearing our Marks; (iii) cease holding yourself out as our Area Representative; and (iv) take all steps necessary to disassociate yourself from us (except in relation to any Unit Franchise Agreement or Area Development Agreement still in force between you and us). You must also immediately cease performing services on our behalf and you are not entitled to any Service Fee Payments except those incurred prior to the expiration or termination date of this Agreement. We are free to sell new Unit Franchises, renew existing Unit Franchises, and enter into new Area Representative Agreements or other arrangements with third parties within the Service Area without additional obligation to you. All renewal and transfer fees are retained exclusively by us.

SECTION 7.4 NOTICE OF EXPIRATION

If applicable law requires that we give notice of expiration to you prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until we have given to you that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

ARTICLE 8 – YOUR INDEPENDENT COVENANTS

SECTION 8.1 DEVOTION TO THE SALE AND SERVICING OF FRANCHISES

You agree that, except as we otherwise approve in writing, you and your employees will faithfully, honestly and diligently devote full time, energy and best efforts to the sale of Unit Franchises and development rights thereto and the servicing of the Unit Franchises in your Service Area. You will refrain from engaging in any business or other activity that will conflict with your obligations under this Agreement, regardless of whether you pursue the activity for gain, profit, or other pecuniary advantage. However, you may invest your personal assets in businesses that do not compete with us where the form or manner of the investment will not require your services in the operation of the business and in which your participation is solely that of a passive investor.

SECTION 8.2 CONFIDENTIALITY AND NONCOMPETITION

(a) We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating OrthoNOW® Centers and AR Businesses, including (without limitation): (a) training and operations materials and manuals; (b) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating OrthoNOW® Centers and providing orthopedic and sports medicine services to patients; (c) marketing and advertising programs for OrthoNOW® Centers; (d) physician and employee recruitment, training, retention programs; (e) knowledge of specifications for and suppliers of OrthoNOW® assets, and other products; (f) any computer software or similar technology which is proprietary to us or the System, including, without limitation, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology; (g) knowledge of the operating results and financial performance of OrthoNOW® Centers (subject to compliance with HIPAA and other requirements); (h) recruitment of unit franchise owners and developers; and (i) franchisee recruitment, training, retention programs.

(b) We will disclose certain Confidential Information to you during the term of this Agreement and the Unit Franchise Agreement signed pursuant hereto, and you may learn additional Confidential Information during the term of this Agreement and such Unit Franchise Agreement. You acknowledge and agree that you will not acquire any interest in the Confidential Information, other than the right to utilize certain Confidential Information in the development, ownership, operation, management and administration of your AR Business pursuant to this Agreement and the OrthoNOW® Centers pursuant to the Unit Franchise Agreement, and that the use or duplication of the Confidential Information in any other business would constitute an unfair method of competition with us and other OrthoNOW® area representatives, developers, and unit franchisees. You acknowledge and agree that the Confidential Information is a valuable asset of ours, which includes our trade secrets and is disclosed to you solely on the condition that you agree, and you do hereby agree, that, during the Term, anywhere in the United States, and for two

(2) years after the expiration or termination of the Term, within 50 miles of your AR Business or any other AR Business then-operating, you will: (1) not use the Confidential Information in any other business or capacity; (2) maintain the absolute secrecy and confidentiality of the Confidential Information during and after the term of this Agreement; (3) not make unauthorized copies of any portion of the Confidential Information disclosed in written, audio, video or other reproducible form; and (4) adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Confidential Information. You agree to cause each of you employees, and agents to sign and deliver to us a Confidentiality Agreement in the form we approve.

(c) You agree and acknowledge that we would be unable to protect the Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among OrthoNOW® Centers and AR Businesses if area representatives, developers, and franchisees of OrthoNOW® Centers and members of their immediate families were permitted to hold interests in or perform services for any Competitive Business. We have entered into this Agreement with you on the express condition that, with respect to the operation of an AR Business, you and your owners and members of their respective immediate families will deal exclusively with us. You therefore agree that, during the term of this Agreement, except for OrthoNOW® Centers operated under agreements with us, neither you (nor any of your shareholders, partners, members or other owners, in the event you are a corporation, partnership, limited liability company or other business entity), nor any member of your immediate family or any member of the immediate family of any shareholder, member or partner of you, shall: (1) have any direct or indirect ownership interest in any Competitive Business; (2) have any direct or indirect ownership interest in any entity which is granting franchises or licenses or establishing joint ventures for the operation of Competitive Businesses; or (3) perform services as a director, officer, manager, employee, consultant, representative, agent or otherwise for any Competitive Business or any business which is granting franchises or licenses or establishing joint ventures for the operation of Competitive Businesses. The restrictions of this Section shall not be applicable to the ownership of securities listed on an exchange or traded on the over the counter market that represent five percent (5%) or less of the number of shares of that class of securities issued and outstanding.

SECTION 8.3 MUTUAL INDEMNIFICATION

You agree to protect, defend, indemnify and hold us, our directors, officers and shareholders harmless from and against all claims, actions, proceedings, damages, costs, expenses and other losses and liabilities, consequently, directly or indirectly incurred (including, without limitation, attorneys' and accountants' fees) as a result of, arising out of, or connected with the operation of the Area Representative Franchise licensed hereunder, unless (and then only to the extent that) any such claims, actions, proceedings, damages, costs, expenses and other losses and liabilities are determined to be caused solely by our gross negligence or willful misconduct in a final unappealable ruling issued by a court or arbitrator of competent jurisdiction.

ARTICLE 9 - TERM

SECTION 9.1 INITIAL TERM

The Initial Term of this Agreement runs for 10 years from the Agreement Date, unless sooner terminated under ARTICLE 6. The conditions under which you have the opportunity of

obtaining a new Area Representative Agreement at the expiration of this Agreement are contained in Section 9.2.

SECTION 9.2 OPTION TO OBTAIN RENEWAL AREA REPRESENTATIVE AGREEMENT

(a) You are granted the option to obtain a renewal Area Representative Agreement for an additional 10-year term on the following conditions, which must be met at the time the option is exercised and immediately before the beginning of the Renewal Term, unless another time is specified:

(i) You provide us with written notice of your intention to exercise your option to renew at least 9 months and no more than 12 months before the end of the Initial Term.

(ii) You are not in default of any provision of this Agreement or any other agreement between you (or your affiliates) and us at the time you give us written notice and at the end of the Initial Term.

(iii) Within 30 days before the end of the Initial Term, you sign and deliver to us our then-current form of Area Representative Agreement, the terms of which may materially differ from the terms of this Agreement including a new Development Schedule and pay us another Area Representative Fee based on the new Development Schedule.

(iv) You meet our then-current qualification and training requirements.

(v) You sign a general release in the form we require of all claims against us and our affiliates, and their respective officers, directors, shareholders, agents and employees except for our known liabilities to you and liabilities from which we may not require a release under any applicable state law.

(b) If you have not met all of the conditions in Subsection 9.2(a), we may elect not to enter into a renewal Area Representative Agreement if we provide you with written notice of our intention not to enter a renewal Area Representative Agreement.

ARTICLE 10 - DEFINITIONS

SECTION 10.1 DEFINITIONS

As used in this Agreement and the Exhibits the following terms have the following meanings:

"**Agreement**" means this Area Representative Agreement, as amended, supplemented or otherwise modified by an agreement in writing signed by you and us under Section 11.2.

"**Agreement Date**" means the date set forth on page 1 of this Agreement.

"**AR Business**" means the business you will operate pursuant to this Agreement.

"**Area Development Agreement**" means the OrthoNOW Development Agreement signed between us and a Developer.

"**Area Development Rights**" means the rights granted to a person to open 2 or more Unit Franchises under separate Franchise Agreement within a given area over a specified period contained in an Area Development Agreement.

"**Authorized Materials**" means: (i) those written or recorded materials we provide to you for purposes of soliciting Prospects, including our then-current Unit Franchise Disclosure Document and Exhibits, brochures and applications; and (ii) written or recorded materials you prepare that we have approved. Materials are not considered Authorized Materials if we have notified you (or you are otherwise aware) that the materials are no longer Authorized Materials; materials that are not current or are misleading and we have notified you (or you are otherwise aware) or materials that later become inconsistent with the facts, policies or procedures we state to you in writing.

"**Area Representative Fee**" means the fee stated in Section 4.1.

"**Area Representative Rights**" means the rights granted to you under this Agreement.

"**Business**" means your business of acting as our Area Representative under this Agreement.

"**Business System**" means our business system including: providing site selection assistance; construction design assistance; preferred vendor relationships for medical equipment; procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; guidance regarding advertising and promotional programs; business formats, methods, procedures, standards, and specifications, all of which we may change, improve, and further develop from time to time.

"**Competitive Business**" means (i) any orthopedic or sports medicine practice or clinic, or a business that offers or provides orthopedic or sports medicine services or management and administration services for a practice or clinic that offers orthopedic or sports medicine services, or any other product or service or management or administration service that is similar to the services and products authorized to be offered, sold or provided under the Marks and the System; (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than an OrthoNOW® Center operated under a franchise agreement with FRANCHISOR); or (iii) any other business assisting in the sale of or supporting businesses that offer or provide orthopedic or sports medicine care or management and administration services for an orthopedic or sports medicine practice or clinic.

"**Initial Franchise Fee**" means the fee stated in the Unit Franchise Agreement.

"**Initial Franchise Fee Payment**" means the fee stated in Subsection 4.2(a).

"**Initial AR Training**" means the training stated in Section 2.1

"**Manual**" means all manuals produced by, or for the benefit of, us and loaned to you, now existing or later produced, and any revisions to these manuals prepared for the internal use by Area Representatives.

"**Notice of Default**" means the notices stated in Section 8.4.

"**Principal Trademark**" means the trade name and logo "OrthoNOW®."

"**Prospect**" means a person interested in purchasing Unit Franchise or Area Development Rights in your Service Area.

"**Service Area**" has the meaning set forth in Section 1.1 of this Agreement.

"**Service Fee**" means the fee set forth in the Unit Franchise Agreement.

"**Service Fee Payment**" means the payment to you stated in Subsection 4.2(a).

"**Term**" means the term of the Agreement stated in Section 9.1.

"**Unit Franchise**" means the rights granted to a Franchisee under an OrthoNOW Unit Franchise Agreement.

"**Unit Franchise Agreement**" means the OrthoNOW Franchise Agreement signed between us and a Franchisee.

"**Unit Franchise Disclosure Document**" means our current Franchise Disclosure Document for unit franchises and the development rights thereto and all Exhibits.

SECTION 10.2 OTHER DEFINITIONAL PROVISIONS

(a) All of the terms defined in this Agreement have these defined meanings when used in other documents issued under, or delivered under this Agreement unless the context otherwise requires or unless specifically otherwise defined in the other document; and

(b) The term "person" includes any limited liability company, partnership, estate, trust, association, branch, bureau, subdivision, venture, associated group, individual, government, institution, instrumentality and other entity, enterprise, association or endeavor of every nature and kind.

ARTICLE 11 - GENERAL PROVISIONS

SECTION 11.1 SUCCESS OF YOUR BUSINESS

YOU AGREE THAT THE SUCCESS OF THE AR BUSINESS VENTURE CONTEMPLATED BY THIS AGREEMENT DEPENDS PRIMARILY UPON YOUR ABILITY AS AN INDEPENDENT BUSINESS OWNER. YOU AGREE THAT NEITHER WE NOR ANY OTHER PERSON HAS GUARANTEED OR WARRANTED THAT YOU WILL SUCCEED IN THE OPERATION OF THE AR BUSINESS OR HAS PROVIDED ANY SALES OR INCOME PROJECTIONS TO YOU OF ANY KIND. YOU AGREE THAT THERE HAVE BEEN NO REPRESENTATIONS, PROMISES, GUARANTEES OR WARRANTIES OF ANY KIND MADE BY US TO INDUCE YOU TO SIGN THIS AGREEMENT. YOU AGREE THAT YOU HAVE REVIEWED THE FRANCHISED DISCLOSURE DOCUMENT RELATED TO THE OFFER OF THIS AR BUSINESS AND HAVE RECEIVED ALL INFORMATION THAT, IN YOUR OPINION, IS NECESSARY FOR YOU TO DECIDE WHETHER TO ENTER INTO THIS AGREEMENT.

SECTION 11.2 INDEPENDENT STATUS

The parties agree that this Agreement does not create a fiduciary relationship between them. You are an independent contractor. Nothing in this Agreement constitutes either party a legal representative, subsidiary, joint venturer, partner, employee, affiliate or servant of the other party for any purpose. The parties agree that nothing in this Agreement authorizes either party to make any contract, agreement, warranty or representation on the other party's behalf, or to incur any debt or other obligation in the other party's name. No party assumes liability for, or is liable under this Agreement by any act or omission of the other party or any claim or judgment from any act or omission of the other party. You exercise your own independent business judgment in determining the methods used in performing your duties under this Agreement, including those related to the hours of operation, the location of your office, and the type of advertising to be used in soliciting Prospects (subject to our prior written approval as to all advertising you use).

SECTION 11.3 DISPUTE RESOLUTION

Before you and we may bring an action against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation or arbitration shall be non-binding mediation or binding arbitration.

Mediation shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Notwithstanding the previous sentence, the parties may mutually agree on a mediator and/or procedures and/or venue for mediation.

The non-binding mediation provided for under this Section 11.3 shall be commenced by the party requesting mediation (the "complainant") providing written notice of the request for mediation (the "request") to the party with whom mediation is sought (the "respondent"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to us if we are not a complainant or respondent.

Non-binding mediation commenced under this Section shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service. The mediator selected shall have experience in franchise matters.

Any dispute not resolved in non-binding mediation must be submitted to binding arbitration in accordance with the Federal Arbitration Act under the Commercial Arbitration Rules then prevailing of the American Arbitration Association, including without limitation the Optional Rules for Emergency Measures of Protection ("AAA"), and not under any state arbitration laws, and judgment on the arbitration award may be entered in any court of competent jurisdiction. You and we agree that arbitration shall be conducted on an individual -- not a class-wide basis. The Federal Arbitration Act shall apply to all arbitration and arbitration venue questions. Any award by the

arbitrator(s) shall be final, binding and nonappealable, except for errors of law. Unless the parties agree in writing at the time an arbitration proceeding is commenced to have a single arbitrator, the matter shall be heard by three (3) arbitrators, with each party selecting one (1) arbitrator and the third (3) arbitrator to be selected by the AAA. The arbitrator selected by the AAA shall have at least ten (10) years' experience in practicing franchise law during which franchise law is or has been their primary area of practice and shall have substantial experience in the preparation of franchise agreements and franchise disclosure documents. **You understand that by agreeing to arbitrate you give up jury, appeal and other rights you might have in court. You irrevocably waive your right to (and your owners and guarantors, if applicable irrevocably waive and surrender their right to) pursue a judicial remedy of any claim arising out of, or related to this dispute, except as elsewhere expressly provided in this agreement.**

Notwithstanding the provisions above, you agree that we, at our option, will have the right to seek preliminary injunctive relief from a court of competent jurisdiction, or in the first instance from an arbitrator, to restrain any conduct by you in the operation of your AR Business that could materially damage the good will associated with the Marks and the System, provided that if you counter, as you may, by initiating arbitration, we agree to arbitrate the entire dispute thereafter except preliminary injunctive relief (and permanent injunctive relief also, if you will not agree that the preliminary injunction shall remain effective indefinitely until the arbitrator shall dissolve it), leaving the court action pending, if it chooses, to facilitate enforcement. You agree that we will not be required to post a bond to obtain any injunctive relief with respect to use of the Marks.

SECTION 11.4 AMENDMENTS

A party cannot amend, supplement or change the provisions of this Agreement except by an Amendment to Area Representative Agreement signed by the parties. Only our President has the authority to sign an Amendment to Area Representative Agreement on our behalf.

SECTION 11.5 BINDING EFFECT

The provisions of this Agreement binds, benefits and are enforceable by the parties and their respective personal representatives, legal representatives, heirs, successors and permitted assigns.

SECTION 11.6 NOTICES

All notices, requests, consents and other communications required or permitted under this Agreement must be in writing and sent by FedEx or UPS addressed to:

If to us:	With a copy to:
OrthoNOW, LLC 3650 NW 82nd Avenue Suite 103 Doral, FL 33166 Attn: Alejandro Badia, M.D., President	Ritchie W. Taylor, Esquire Manning Fulton 3605 Glenwood Ave Suite 500 Raleigh, NC 27612
If to you:	With a copy to:
_____	_____

Attn: _____ _____

or to any other address any party designates by notice complying with the terms of this Section. The parties agree that each notice is deemed delivered on the date delivered by FedEx or UPS.

SECTION 11.7 HEADINGS

The headings and subheadings in this Agreement are for convenience of reference only, are not to be considered a part of this Agreement and do not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

SECTION 11.8 SEVERABILITY

(a) 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, and/or length of time, but would be enforceable if modified, you and we 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.

(b) If a law of any applicable jurisdiction requires us to give a greater notice of the termination of or non-renewal of this Agreement (if permitted) than is required under this Agreement, or requires us to take of some other action not required under this Agreement, or if under a law of any applicable jurisdiction, any term of this Agreement or any of our requirements is invalid or unenforceable, the notice and/or other action required by that law will be substituted for the comparable provisions of this Agreement. We have the right, in our sole discretion, to modify any invalid or unenforceable requirement to the extent to make it valid and enforceable. Any modification to this Agreement will be effective only in that jurisdiction, unless we elect to give the modification greater applicability, and this Agreement is enforceable as originally entered into by the parties in all other jurisdictions.

SECTION 11.9 WAIVERS

Our failure or delay to require performance by you of any term of this Agreement, even if known, will not affect our right to require performance of that provision or to exercise any right or remedy under this Agreement. Any waiver by us of any term of this Agreement is not a waiver of any continuing or later breach of that term, a waiver of the term itself, or a waiver of any right or remedy under this Agreement. No notice to or demand to you in any case, of itself, you to any other notice or demand in similar or other circumstances.

SECTION 11.10 REMEDIES CUMULATIVE

Except as otherwise stated in this Agreement, no remedy in this Agreement for any party is intended to be exclusive of any other remedy. Each remedy is cumulative and is in addition to every other remedy given under this Agreement, now or later existing, at law, in equity, by statute or otherwise. No single or partial exercise by any party of any right or remedy under this Agreement precludes any other exercise of any other right or remedy.

SECTION 11.11 EFFECTIVENESS; COUNTERPARTS

This Agreement is not effective or binding and enforceable against us until we accept this Agreement at our home office in Doral, Florida and our President signs this Agreement. The parties may sign this Agreement in counterparts, each of which is a duplicate original, but together are the same instrument. Confirmation of signing by sending the signature page by telecopy or e-mail binds any party to the confirmation.

SECTION 11.12 INTERPRETATION

Each of the parties agree that he, she or it has been afforded the opportunity to have been represented by its own counsel throughout the negotiations and at the signing of this Agreement and all of the other documents signed incidental to this Agreement. You will not, while this Agreement is effective or after its termination or expiration, claim or assert that any term of this Agreement or any of the other document be construed against us.

SECTION 11.13 ENTIRE AGREEMENT

This Agreement and Exhibits represent the entire understanding and agreement between the parties on the subject matter of this Agreement, and supersede all other negotiations, understandings and representations, if any, made between the parties. No representations, inducements, promises or agreements, oral or otherwise, if any, not embodied in this Agreement are of any effect. Nothing in the Agreement is intended to disclaim the representations we made in the Franchise Disclosure Document and Exhibits that we furnished to you.

SECTION 11.14 SURVIVAL

All obligations of the parties that expressly or by their nature survive the expiration or termination of this Agreement, continue in full force and effect after its expiration or termination and until they are satisfied or by their nature expire.

SECTION 11.15 FORCE MAJEURE

Neither party is liable for loss or damage or is in breach of this Agreement, if the failure to perform his, her or its obligations is based solely from the following causes beyond his, her or its reasonable control: (a) transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material, or energy; (b) compliance with any applicable law; or (c) war, terrorism, strikes, natural disaster or acts of God. Any delay resulting from any of these causes extends performance accordingly or excuses performance as may be reasonable, except that these causes do not excuse payments of amounts owed to us for any reason.

SECTION 11.16 THIRD PARTIES

Nothing in this Agreement, whether express or implied, confers any rights or remedies under or based on this Agreement on any person other than the parties and their respective personal representatives, other legal representatives, heirs, successors and permitted assigns. Nothing in this Agreement relieves or discharges the obligation or liability of any third persons to any party to this Agreement, nor does any provision give any third person any right of subrogation or action over or against any party to this Agreement.

[Signatures on the Following Page]

IN WITNESS WHEREOF, the parties have signed and delivered this Agreement on the Agreement Date.

YOU or YOUR:

_____

_____

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

EXHIBIT A TO AREA REPRESENTATIVE AGREEMENT–
DEVELOPMENT SCHEDULE & SERVICE AREA

You shall meet the following Development Quota by the last day of each calendar year during the term of the Area Representative Agreement:

Year	Number of Unit Franchises Opened and Operating in Service Area in Calendar Year ("Development Quota")*	Total Unit Franchises
20____		
20____		
20____		
20____		
20____		
20____		
20____		
20____		

** Minimum Annual Performance Requirement – See Section 3.6*

Your Service Area shall be:

_____

EXHIBIT B TO AREA REPRESENTATIVE AGREEMENT –
SAMPLE FRANCHISE SELLER DISCLOSURE FORM

Form D – Franchise Seller Disclosure Form

FRANCHISE SELLER DISCLOSURE FORM

1. **List who will solicit, offer or sell franchises for the Franchisor in this state:**

   A. **Name:** _____

   B. **Business address and telephone number:**

   _____

   C. **Present employer:** _____

   D. **Present title:** _____

   E. **Employment during the past five years. For each employment, state the name of the employer, position held, and beginning and ending dates:**

   _____
   _____
   _____

2. **State whether the person identified in 1 above:**

   A. **Has an administrative, criminal or material civil action pending against that person alleging a violation of franchise, antitrust or securities law, or alleging fraud, unfair or deceptive practices, or any comparable allegations?**

   YES _____ **NO** _____

   If you answered "yes", please provide:

   1. **Names of the parties:** _____

   2. **Forum, nature and current status of the pending action:**

   _____

   3. **Case or proceeding identification number:** _____

   B. **Had during the 10-year period immediately before the disclosure document's issuance date been convicted of or pleaded nolo contendere to a felony charge; or been held liable in a civil action involving an alleged violation of a franchise, antitrust or securities law, or allegations of fraud, unfair or deceptive practices, or comparable allegations?**

   YES _____ **NO** _____

Form D (cont'd) – Franchise Seller Disclosure Form Page 2

If you answered "yes", please provide:

1. **Names of the parties:**

2. **The forum:**

3. **Case or proceeding identification number:**

C. **Is subject to a currently effective injunction or restrictive order or decree resulting from a pending or concluded action brought by a public agency and relating to the franchise, or to a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law.**

YES _____ **NO** _____

If you answered "yes", please provide:

1. **Name of the person:**

2. **Public agency or court:**

3. **Case or proceeding identification number:**

EXHIBIT C TO AREA REPRESENTATIVE AGREEMENT –
NOW-CURRENT UNIT FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

OHIO FRANCHISEE NOTICE OF RIGHT TO CANCEL

You, the purchaser, may cancel this transaction at any time prior to midnight of the fifth business day after the date you sign this agreement. See the attached notice of cancellation for an explanation of this right.

Notice of cancellation

_____
(Enter date of transaction)

You may cancel this transaction, without penalty or obligation, within five business days from the above date. If you cancel, any payments made by you under the agreement, and any negotiable instrument executed by you will be returned within ten business days following the seller's receipt of your cancellation notice, and any security interest arising out of the transaction will be cancelled. If you cancel, you must make available to the seller at your business address all goods delivered to you under this agreement; or you may if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk. If you do make the goods available to the seller and the seller does not pick them up within twenty days of the date of your notice of cancellation, you may retain or dispose of them without further obligation. If you fail to make the goods available to the seller, or if you agree to return them to the seller and fail to do so, then you remain liable for the performance of all obligations under this agreement. To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice or any other written notice, or send a telegram, to ORTHONOW, LLC, 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166, 305-537-7272, not later than midnight of _____.

I hereby cancel this transaction.

_____
(Purchaser's Signature)

(Date) _____

ORTHONOW, LLC

FRANCHISE AGREEMENT

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ORTHONOW, LLC
FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "Agreement") is made and entered into as of _____ (the "Effective Date") (regardless of the dates of the parties' signatures) by and between:

ORTHONOW, LLC, a Florida limited liability company, located at 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166 ("we," "us," or "our"), and _____, a _____, with a principal business address of _____ _____ ("you" or "your").

INTRODUCTION

A. We and our affiliate(s), as a result of the expenditure of time, skill, and effort have developed (and continue to develop and modify) an orthopedic care center business that provides various levels of orthopedic and sports medicine recurring patient care services; all of which are provided by a physician, or medical personnel supervised by a physician, which may include orthopedic evaluations and treatment, treatment of lacerations, sprains, breaks, fractures, chronic pain, and sports medicine injuries, durable medical equipment and supplies, and case management services. Each orthopedic care center will be equipped with several examination rooms, X-Ray equipment, orthopedic, and musculoskeletal equipment, and may include MRI and ultrasound, on-site laboratory, an affiliated ambulatory surgical center, affiliated physical therapy capabilities and pharmacy (dispensing the most common orthopedic care medicine, depending on the level of services provided). Each Center will also sell orthopedic specialty products and supplements to the general public.

B. The orthopedic care centers ("OrthoNOW® Centers") will operate under the "OrthoNOW®" name and Marks (defined below) according to our system (the "System"). The business that you will own, manage, administer and operate under the System is referred to as the "Franchised Business". The System currently includes: providing site selection assistance; construction design assistance; preferred vendor relationships for medical equipment; procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; guidance regarding advertising and promotional programs; business formats, methods, procedures, standards, and specifications, all of which we may change, improve, and further develop from time to time. Notwithstanding anything in this Agreement, we are not responsible for marketing, advertising or expanding the business of your OrthoNOW® Center; those efforts are solely your responsibility, subject to the terms of this Agreement.

C. We and our affiliate(s) use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark "OrthoNOW®" in connection with OrthoNOW® Centers, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for OrthoNOW® Centers (collectively, the "Marks").

D. We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate an OrthoNOW® Center using our System and Marks.

E. You have applied for a franchise for an OrthoNOW® Center at the location identified in this Agreement. Your application has been approved by us in reliance upon all of the representations made in your application, including those concerning your financial resources and the manner in which the Franchised Business will be owned and operated. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System's high standards of quality and service and the uniformity of those standards at all OrthoNOW® Centers and thereby agree to protect and preserve the goodwill of the Marks, and you must comply with this Agreement and all System Standards (as defined below in Section 4.4) in order to maintain the high and consistent quality that is critical for OrthoNOW® Centers.

1. GRANT OF FRANCHISE: TERRITORY

1.1 Grant of Franchise

You have applied for the right to own, administer, manage and operate an OrthoNOW® Center at the location identified on Exhibit A (the "Premises"), and in the area identified in Exhibit A (the "Territory"). The Premises and Territory will be determined as set forth in Section 2.1 and the Site Selection Addendum, which is attached as Exhibit B. Subject to this Agreement, we grant you the right and license (the "Franchise") to own, administer, manage and operate an OrthoNOW® Center at the Premises, and to use the System in its management and operation, for a term beginning on the Effective Date and expiring ten (10) years thereafter (the "Initial Term"), unless sooner terminated as provided herein. You agree at all times to perform your obligations under this Agreement faithfully, honestly, and diligently and to use your best efforts to promote the Franchised Business.

1.2 Territorial Rights

After the Premises are approved as set forth in Section 2.1, the description of the Territory will be inserted in Exhibit A. Except as provided for below, and provided that you are in full compliance with this Agreement, we and our affiliate(s) will not operate or grant a franchise for the operation of another OrthoNOW® Center, or a similar orthopedic care business that operates under a different mark or trade name, that has its principal location within the Territory, or that is granted a territory, or territorial rights in your Territory, during the Initial Term of this Agreement.

1.3 Rights We Reserve

Except as expressly limited by Section 1.2 above, we and our affiliate(s) retain all rights with respect to OrthoNOW® Centers, the System, the Marks, the sale of similar or dissimilar services, and any other activities we deem appropriate whenever and wherever we desire, including, but not limited to:

(a) the right to own and operate, and to grant others the right to own and operate, OrthoNOW® Centers and similar orthopedic care businesses under different names or marks located anywhere outside the Territory under any terms and conditions we deem appropriate and regardless of proximity to the Premises or the Territory;

(b) the right to establish and operate (and to grant to others the right to establish and operate) any other businesses offering products and services that are not the same as or similar to the products or services offered at OrthoNOW® Centers through similar or dissimilar channels of distribution, at any locations inside or outside the Territory under trademarks or service marks

other than the Marks (including other trademarks or service marks owned by us and any of our affiliate(s)) and on any terms and conditions we deem appropriate;

(c) the right to acquire the assets or ownership interests of one or more businesses that operate, and/or have granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with OrthoNOW® Centers, and/or the right to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by a competing orthopedic care or medical services company, or by another business, even if such business operates, franchises and/or licenses competitive businesses in the Territory, provided, however, that if we or one of our affiliate(s) acquire such a competing business or chain, we or our affiliate(s) will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory, and it is expressly acknowledged by you and us that any such business operations of the same or similar business that existed or operated at the time of such acquisition or transaction shall not constitute a breach of Section 1.2; and

(d) the right to create, place, and/or distribute any advertising and promotional materials related to the System and the Marks, as those materials may appear in media, including, without limitation, the Internet or similar electronic media anywhere, including within the Territory.

1.4 Modification of the System

You understand and agree that we may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Because complete and detailed uniformity under many varying conditions might not be possible or practical, you acknowledge that we specifically reserve the right and privilege, as we consider to be best, to vary System Standards (defined below in Section 4.4) for any franchisee or any OrthoNOW® Center based upon any conditions that we consider important to that franchisee's or Franchised Business' operation. You may request that we grant you a variation or accommodation, but we have no obligation to do so.

1.5 Corporation, Limited Liability Company, or Partnership

At all times during the Initial Term, you must be a corporation, limited liability company, or general or limited partnership (collectively, an "Entity") duly organized or formed and validly existing in good standing under the laws of the state of your formation. You additionally agree and represent:

(a) You have the authority to sign, deliver, and perform your obligations under this Agreement and all related agreements;

(b) You will not alter, change, or amend your organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining our approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Agreement;

(c) Your organizational documents, operating agreement, partnership agreement, or ownership certificates, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

(d) Exhibit C to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date;

(e) Subject to our rights and your obligations under Section 12, you and your owners agree to sign and deliver to us a revised Exhibit C to reflect any permitted changes in the information that Exhibit C now contains;

(f) Each of your owners who holds a ten percent (10%) or greater ownership interest in the Entity during this Agreement's Initial Term will sign a guaranty, in the form we prescribe, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of guaranty is set out in Exhibit E;

(g) You will appoint a shareholder, member, or partner, as applicable, to be your "Operating Owner," responsible for overseeing and supervising the operation of the Franchised Business. The Operating Owner, as of the Effective Date, is identified in Exhibit C. The Operating Owner will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person from your Entity that we will recognize as having authority to communicate for and on your behalf and on behalf of your Entity. You may not change the Operating Owner without our prior written consent, which we will not unreasonably withhold provided that the proposed new Operating Owner meets our then-current qualifications and standards and successfully completes our then-current training programs as we may require.

1.6 Structure and Operation of Franchised Business

(a) You acknowledge and agree that the Franchised Business may be required to be structured and operated as a "group practice" (as defined at 42 C.F.R. § 411.351).

(i) If you can certify to us, and provide support for the conclusion that you are permitted to both own and operate an OrthoNOW® Center in the state where the OrthoNOW® Center will be located, including hiring medical and professional personnel and providing medical services to patients at the OrthoNOW® Center, then you, as the franchisee, must enter into our form of Waiver of Management Services Agreement. You will be solely responsible for operating the OrthoNOW® Center and providing or arranging for and supervising the provision of medical services to patients of the OrthoNOW® Center, in addition to performing all of the obligations imposed upon you by this Agreement.

(ii) If you cannot provide the foregoing certification, or your offered support is not deemed sufficient to us, then prior to commencing operations of the Franchised Business, you must enter into a Management Services Agreement ("Management Services Agreement") in the form we provide or approve with an independent professional medical corporation or licensed medical services providers ("PC") whereby you will provide management and administrative services and support consistent with the System, to support the PC's clinical practice and its delivery of clinical services and related products to patients, consistent with all applicable laws and regulations, as provided in this Section. The PC shall employ and control physicians and personnel, including, for example, physician assistants, nurses, X-ray technicians, and medical assistants, and, other orthopedic care professionals who will provide the actual clinical/medical services to be delivered at and through the OrthoNOW® Center. The Management Services Agreement shall be deemed to amend this Agreement where necessary to reflect that you will be administering and managing the OrthoNOW® Center and not in any way practicing medicine. You shall not provide

any actual medical services, nor shall you supervise, direct, control or suggest to, the PC or its physicians or employees, the manner in which the PC or its physicians or employees provides or may provide medical care services to its patients. You acknowledge and agree that we will not provide any clinical care or medical services, nor will we supervise, direct, control or suggest to, the PC or its physicians or employees the manner in which the PC provides medical or clinical services to its patients. You may not sign the final Management Services Agreement with the PC before you obtain our prior written approval.

We must approve the PC candidate. If you are not able initially to find a suitable PC, we will attempt to help you find a suitable PC. Neither our approval of the PC nor our efforts to help you find a suitable PC will make us liable for the performance of the PC. Our involvement in approving or helping you locate a suitable PC will not give us the right to directly or indirectly impinge on or interfere with the ability of the PC's Affiliated Physicians to exercise professional judgment in practicing medicine and providing patient services.

The Management Services Agreement must remain in effect with a PC at all times during the operation of the Franchised Business and the Initial Term of this Agreement. You and the PC may not amend the Management Services Agreement before you obtain our prior written approval to the Amendment.

(iii) If you are required to enter into a Management Services Agreement with a PC, the management and administrative services that you must provide to the PC include, but are not limited to the following all in compliance with the applicable law and all of these services must comply with the System: office space; equipment and systems necessary for the operation of the OrthoNOW® Center; marketing; billing services; compliance services; assistance with legal services; maintenance of all equipment and software and office space; furniture and fixtures; assistance in recruiting licensed persons and unlicensed professionals; human resources functions, other than termination of licensed personnel for professional reasons; and all other services and items for which a license is not required.

For all these management and administrative services you will receive a management fee (the "Management Fee") from the PC. The Management Fee will be set forth in the Management Services Agreement as it is agreed upon by you and the PC.

Neither you nor we shall have any control or input with respect to the fees charged by the PC for the services it renders to its patients. The PC shall be solely responsible for and have full authority and control over the practice of medicine and the provision of medical and patient care by or at the OrthoNOW® Center and other aspects of the clinical practice of medicine, including: (i) the control of a patient's medical records, including determining the contents thereof; (ii) the selection, hiring/firing (as it relates to clinical competency or proficiency) of physicians and non-physician practitioners; (iii) setting the parameters under which a physician will enter into contractual relationships with third-party payers; (iv) final decisions regarding coding and billing procedures for patient care services; (v) approving of the selection of medical equipment and medical supplies for the medical practice; (vi) the determination of fees for such care, goods and services; (iv) treatment plans, clinical necessity and course of care; (viii) hours of operation and scheduling of patients and clinical Staff; (ix) drugs, equipment and supplies used in treating each patient; and (x) any and all other matters included within the definition of "medicine" or "practice of medicine" under applicable laws governing the practice of medicine.

2. DEVELOPMENT OF THE FRANCHISED BUSINESS

2.1 Location Approval

You must lease, sublease, or acquire a site for the Franchised Business, in accordance with all applicable laws and the Site Selection Addendum attached as Exhibit B (the "Site Selection Addendum"). If you lease or sublease your site, your lease or sublease must contain the provisions contained within the Lease Rider attached to the Site Selection Addendum. As described in the Site Selection Addendum, you must submit a site to us for approval within forty-five (45) days of the Effective Date of this Agreement. Upon our approval of a location, and after you secure the location, in accordance with the Site Selection Addendum, that location will be the "Premises" for the Franchised Business, and we will insert its address in to Section 1 of Exhibit A and describe the Territory in Section 2 of Exhibit A.

You agree to obtain our written approval of the proposed location for the Franchised Business before signing any lease, sublease, or other document for the site. You acknowledge that our approval is not a guaranty, warranty, promise or representation that the proposed location will be successful or attain any level of income or profit. Our approval merely indicates that the proposed location meets our criteria for OrthoNOW® Centers.

We will have forty-five (45) days after you submit your complete request in which to approve or disapprove the site. You must obtain lawful possession of the Premises through a lease or purchase within thirty (30) days after approval of the site by us. Any lease for the Premises shall, in form, be satisfactory to us and shall: (i) provide for notice to us of, and our right to cure, your default under said lease; (ii) provide that we have the option, upon default or termination of this Agreement, and upon notice to the lessor, to assume all of your rights under the lease terms, including the right to assign or sublease; (iii) authorize and require the lessor to disclose to us, upon our request, sales and other information furnished to the lessor by you; (iv) include the lessor's express consent to your use of the Marks and initial signage as prescribed by us for the OrthoNOW® Center; (v) prohibit you from subleasing or assigning all or any part of your occupancy rights; (vi) provide that we have the right to enter the Premises to make modifications necessary to protect our rights under this Agreement; (vii) provide that the lessor expressly approves and accepts our standard design; (viii) provide that we may assume your rights as lessee and exercise any renewal option under the lease prior to any termination or non-renewal of the lease, as long as we cure your defaults under the lease; and (ix) provide that we have the right, upon termination or expiration of this Agreement without renewal, to enter the Premises and remove any signs, decor items, advertising materials, forms and other materials and supplies which display any of the Marks; (x) be compliant with all applicable laws, including without limitation, laws applicable to leases with physicians or other providers of health care services or items. Subparagraph (ix) of this Section 2.1 does not eliminate your obligation to comply with Section 15.2(c) upon termination or expiration of this Agreement. You shall deliver a copy of the signed lease, sublease or lease assignment to us within ten (10) days of its execution.

You may operate the Franchised Business only from the Premises, and you may not relocate the Franchised Business except with our prior written consent. The Premises may be used only for the operation of a Franchised Business and other related activities approved by us in writing. You shall not allow the Premises of the OrthoNOW® Center to be used for any other purpose.

2.2 Franchised Business Development

You are solely responsible for developing the Franchised Business. We will not perform the functions of, but will provide guidance to assist you in working with contractors and suppliers to complete the development and build out of the OrthoNOW® Center. Specifically, we will:

(a) provide you with a copy of our standard plans and specifications and will assist you in the general design and layout, but you will have to pay your architect to customize the plans and specifications to your space and local zoning requirements;

(b) provide you with our standard equipment and approved vendor list. You shall be required to purchase and/or lease such items directly and you shall be responsible for all monetary and other obligations related thereto; and

(c) advise you as to how best to achieve the completion of the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the OrthoNOW® Center in full and strict compliance with plans and specifications approved by us and all applicable statutes, rules, ordinances, building codes and permit requirements.

We will give you mandatory and suggested specifications and layouts for your OrthoNOW® Center, including location, size and design and required or recommended fixtures, equipment, and signs. Such specifications and layouts shall not contain the requirements of any federal, state or local law, code or regulation, including those concerning the Americans With Disabilities Act ("ADA") or similar rules governing public accommodations for persons with disabilities, nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation as may be necessary to obtain permits or authorization to build a specific Center ("Applicable Law"). It is your sole responsibility to make sure that the design and construction of the Franchised Business and the Premises are in compliance with all Applicable Laws including without limitation, the Americans with Disabilities Act and location requirements pertaining to the furnishing of in-office ancillary services by a group practice, as set forth in 42 C.F.R. § 411.355(b)(2). You shall indemnify and hold us harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of the Franchised Business fail in any way to comply with any Applicable Laws, including, without the limitation, the Americans with Disabilities Act. Without our written consent, you shall not make any changes to the specifications and layouts we require except as necessary to comply with Applicable Law and requirements of Applicable Law. You shall maintain the interior and exterior decor in such manner as may be prescribed from time to time by us.

You agree to do the following, at your own expense, to develop the Franchised Business at the Premises: (i) secure all financing required to develop and operate the Franchised Business (we will not provide you with any financing for Franchised Business development); and (ii) purchase or lease, and install, all required fixtures, furniture, equipment (including required or recommended medical and diagnostic equipment, patient and waiting room furniture, fixtures and equipment, computer, facsimile, and point-of-sale information system), furnishings, and signs (collectively, "Business Assets") for the Franchised Business.

2.3 Business Assets

You agree to use in operating the Franchised Business only those Business Assets that we approve for OrthoNOW® Centers as meeting our specifications and standards for quality, design,

appearance, function, and performance. You agree to place or display at the Premises (interior and exterior) only the signs, lettering, logos, and display materials that we approve from time to time, subject to, and only in strict compliance with, the local rules and regulations regarding the operation and advertising of or for an orthopedic care center. You agree to purchase or lease approved brands, types, or models of Business Assets only from suppliers we designate, suggest or approve (which may include or be limited to us and/or our affiliate(s).) If you wish to use any medical equipment or medical related product other than items that we have previously approved, you must first submit a written request for our approval, which we will not withhold if the proposed medical equipment or medical product satisfies our standards and applicable rules or regulations.

2.4 Practice Management/Medical Records System

You agree to obtain and use the practice management system ("PM") and/or electronic medical records system ("EMR"), we specify from time to time (separately or collectively, the "PM/EMR System"). We may modify specifications for and components of the PM/EMR System. You also agree to maintain a functioning e-mail address. You agree to obtain high-speed communications access, such as broadband or DSL, or other high-speed capacity that we may specify. Our modification of specifications for the PM/EMR System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified components and communications capabilities and to obtain service and support for the PM/EMR System. Although we cannot estimate the future costs of the PM/EMR System or required service or support, you agree to incur the costs of obtaining the components comprising the PM/EMR System (or additions and modifications), including computer hardware, software, and/or communications capabilities and required service or support. We or our affiliate(s) may retain a third-party provider, to provide some or all of the service and support for your benefit or the benefit of OrthoNOW® Centers. We have no obligation to reimburse you for any PM/EMR System costs that you incur. You agree that during the Initial Term and the term of any Successor Franchise (as defined in Section 13), within sixty (60) days, or such longer period as we may designate, after you receive notice from us, you will obtain and install additional, new, improved or modified PM/EMR System components that we designate. You must permit us to access those aspects of the PM/EMR System that are necessary for us to retrieve data and/or to provide assistance to you and the Franchised Business.

You agree that we or our affiliate(s) may condition any license of proprietary software to you, or your use of technology that we or our affiliate(s) develop or maintain, on your signing a license agreement or similar document that we or our affiliate(s) prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology.

Despite the fact that you agree to buy, use, and maintain the PM/EMR System according to our standards and specifications, you will have sole and complete responsibility for: (1) the acquisition, operation, maintenance, and upgrading of the PM/EMR System; (2) the manner in which your PM/EMR System interfaces with our and any third party's computer system; and (3) any and all consequences if the PM/EMR System is not properly operated, maintained, and upgraded. You may not install any software, other than authorized upgrades, or make any hardware modifications to the PM/EMR System that might hamper or interfere with the operation of the PM/EMR System in the manner we require.

Data that we reasonably believe to be necessary or desirable for the operation or management of an OrthoNOW® Center is or may be currently stored, subject to your and our compliance with the

applicable requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), including all pertinent regulations (45 CFR Parts 160 and 164) issued by the U.S. Department of Health and Human Services, as either have been amended by Subtitle D of the Health Information Technology for Economic and Clinical Health Act (the "HITECH Act"), Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-5), and with all other applicable state and federal laws and regulations, as they may be amended from time to time.

2.5 Opening of the Franchised Business

You agree not to open the Franchised Business until:

(a) we notify you in writing that the Franchised Business meets our standards and specifications (although our acceptance is not a representation or warranty, express or implied, that the Franchised Business complies with any licensing, labor, building, fire, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of our right to require continuing compliance with our requirements, standards, or policies);

(b) you have retained legal counsel to advise you on all applicable federal, state and local healthcare laws, rules and regulations and to counsel you on your compliance with them, including those regarding licensure;

(c) you have received all required state and local government certifications, permits and licenses necessary for the operation of an OrthoNOW® Center, including any required licenses and certifications for its personnel;

(d) you have hired and retain at least one (1) Center Manager and a minimum of one (1) orthopedic physician, and that you (or your Operating Owner), your Center Manager, and other managers and personnel (if any) have satisfactorily completed all training that we require for each such persons:

(e) you pay the initial franchise fee and other amounts then due to us;

(f) you have signed all agreements required prior to the opening of the Franchised Business, including, but not limited to, this Agreement, any lease, and any software license agreements;

(g) you are not in default under or in violation of any agreements by and between you and us or any of our affiliate(s) or suppliers; and

(h) you give us certificates for all required insurance policies.

Subject to your compliance with these conditions, and except as we may otherwise approve, you agree to open the Franchised Business for business within three hundred (300) days from the Effective Date pursuant to Section 2.1 above and the Site Selection Addendum. We will issue you a commencement letter on the day (the "Opening Date") we approve your compliance with these obligations.

3. FEES

3.1 Initial Franchise Fee

You agree to pay us a nonrecurring initial franchise fee, in the amount set forth in Exhibit A. This fee is due, and fully earned by us, when you sign this Agreement. The initial franchise fee is nonrefundable, except for the following, in which event we will refund the amount paid, less our costs incurred in soliciting, qualifying, assisting and training you.

3.2 Service Fee

In consideration of the license granted to use the Marks and the System, you agree to pay us, in the manner provided below (or as the Policy and Procedures Manual otherwise prescribes), a recurring monthly fee (the "Service Fee") equal to seven percent (7%) of the Franchised Business's Gross Practice Revenues (defined below). The Service Fee must be transmitted in the manner we specify, which may include, as provided for in Section 3.5, an automatic, electronic debit of funds on a monthly basis, by or before the tenth (10^{th}) day of the month for the preceding month. In addition on or before the fifth (5^{th}) day of each month, you agree to send us on a form we require, or as we otherwise direct, a signed statement of the Gross Practice Revenues for the preceding month.

As used in this Agreement, the term "Gross Practice Revenues" means all revenue that you actually collect and receive from operating the Franchised Business, including, but not limited to, revenue received from a PC and/or pursuant to a Management Services Agreement, all services and products sold, all amounts that you charge, invoice, collect, or receive at or away from the Premises, and whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority. If applicable law in a state forbids us from collecting a Service Fee as a percentage of the Gross Practice Revenue, we will set the Service Fee as a flat fee that we may adjust no more frequently than annually in amounts that you and we will determine by mutual agreement before you sign the Franchise Agreement. To the extent your required Gross Practice Revenue report includes sales or revenue not received, or includes sales or revenue that is refunded at a later date to a client, we will apply an appropriate credit toward a future payment. In the event that a PC fails to pay you any revenues that it is obligated to pay you under a Management Services Agreement, the amounts that it fails to pay you shall nonetheless be included in the calculation of Gross Practice Revenues.

3.3 Late Fees and Interest

All amounts which you owe us for any reason, will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate the law allows, whichever is less. We may debit your bank account automatically for late fees and interest. You acknowledge that this Section 3.3 is not our agreement to accept any payments after they are due or our commitment to extend credit to, or otherwise finance your operation of, the Franchised Business.

3.4 Application of Payments

Despite any designation you make, we may apply any of your payments to any of your past due indebtedness to us. We may set off any amounts you or your owners owe us or our affiliate(s) or

key suppliers against any amounts we or our affiliate(s) owe you or your owners. You may not withhold payment of any amounts you owe us due to our alleged nonperformance of any of our obligations under this Agreement.

3.5 Method of Payment

Before the Franchised Business opens, you agree to sign and deliver to us the documents we require to authorize us to debit your business checking account automatically for the Service Fee, and other amounts due under this Agreement and for your purchases from us and/or our affiliate(s) (the "Electronic Funds Transfer Authorization" or "EFTA"). Our current form of EFTA documents are attached as Exhibit D. We will debit the account subject to the EFTA for these amounts on their due dates. You agree to ensure that funds are available in the account subject to the EFTA to cover our withdrawals. Notwithstanding the foregoing, our access to your business checking account by EFTA shall be utilized by us only for your payments required under this Agreement.

We may require you to pay any amounts due under this Agreement or otherwise by means other than automatic debit (e.g., by check) whenever we deem appropriate. We may require the payments, or automatic debits, be made more or less frequently than specified in Section 3.2, but not more frequently than once a week. You agree to comply with our payment instructions as they may be modified from time to time.

You must comply with all of our payment policies, procedures, and requirements, as described in the Policy and Procedures Manual, which we may modify from time to time.

3.6 Payment of Taxes

You must pay in a timely manner all local, state and federal sales, business, property, goods and services taxes and all other taxes, rates, levies and fees levied or assessed by any governmental authority directly or indirectly in connection with the Franchised Business.

3.7 Security Agreement

In order to secure the prompt performance of your obligations under this Agreement, you grant us and we take a first priority security interest in all of your assets, including without limitation, all present and after acquired inventory and equipment wherever located, accounts, deposit accounts, chattel paper, instruments, contract rights (including your rights under this Agreement) and general intangibles, including payment intangibles, and all proceeds and products thereof including insurance proceeds. All items in which a security interest is granted are referred to as the "Collateral".

This Agreement and the Franchise granted to you hereunder may not be used by you as collateral or be the subject of a security interest, lien, levy, attachment or execution by your creditors, any financial institution, or any other party, except with our prior written approval. The Security Interest is to secure payment of the following (the "Indebtedness"): (a) all amounts due under this Agreement or otherwise by you; (b) all sums which we may, at our option, expend or advance for the maintenance, preservation, and protection of the Collateral, including, without limitation, payment of rent, taxes, levies, assessments, insurance premiums, and discharge of liens, together with interest, or any other property given as security for payment of the Indebtedness; (c) all expenses, including reasonable attorneys' fees, which we incur in connection with collecting any or

all Indebtedness secured hereby or in enforcing or protecting our rights under the Security Interest and this Agreement; and (d) all other present or future, direct or indirect, absolute or contingent, liabilities, obligations, and indebtedness of you to us or third parties under this Agreement, however created, and specifically including all or part of any renewal or extension of this Agreement, whether or not we execute any extension agreement or renewal instruments. You will from time to time as we require join with us in executing any additional documents and one or more financing statements pursuant to the Uniform Commercial Code (and any assignments, extensions, or modifications thereof) in form satisfactory to us. Upon default and termination of your rights under this Agreement, we shall have the immediate right to possession and use of the Collateral. You agree that, upon the occurrence of any default set forth above, the full amount remaining unpaid on the Indebtedness secured shall, at our option and without notice, become due and payable immediately, and we shall then have the rights, options, duties, and remedies of a secured party under, and you shall have the rights and duties of a debtor under, the Uniform Commercial Code of Florida (or other applicable law), including, without limitation, our right to take possession of the Collateral and without legal process to enter any premises where the Collateral may be found. Any sale of the Collateral may be conducted by us in a commercially reasonable manner. Reasonable notification of the time and place of any sale shall be satisfied by mailing to you pursuant to the notice provisions set forth above.

3.8 Financing Statement

This Agreement shall be deemed a Security Agreement and a Financing Statement. This Agreement may be filed for record in the real estate records of each county in which the Collateral, or any part thereof, is situated and may also be filed as a Financing Statement in the counties or in the office of the Secretary of State, as appropriate, in respect of those items of Collateral of a kind or character defined in or subject to the applicable provisions of the Uniform Commercial Code as in effect in the appropriate jurisdiction.

3.9 Subordination

If requested by you, we will subordinate the security interest granted hereby to the security interest of a bona-fide, unrelated third party providing financing for the furniture, fixtures, equipment and like items at the OrthoNOW® Center.

4. TRAINING AND ASSISTANCE

4.1 Initial Training

You must hire and retain at least one (1) Center Manager, before you open for business. We will conduct an initial training program that will last a maximum of five (5) days, for a minimum of three (3) attendees, who must include you (or, if you are an Entity, your Operating Owner), and your initial Center Manager(s). The initial training program will be conducted within three (3) months prior to your Opening Date. We will provide the initial training program at our headquarters or at a designated location of our choice.

We will provide the initial training for no additional fee. In addition, if we have space available at your initial training, you may bring other employees. We will charge you our then current charge for training for these additional trainees. After the training program, if you so desire you may send other employees with a minimum of three (3) for initial training, subject to space availability. We will charge you our then current training fee. You agree to pay for all travel and living expenses

which you (or your Operating Owner) and all of your employees incur and for your employees' wages and workers' compensation insurance while they attend any training program.

You (or your Operating Owner), and the initial Center Manager(s) must complete initial training to our satisfaction and receive our certification. If you (or your Operating Owner) or your initial Center Manager(s) fail to complete the initial training to our satisfaction, then you may repeat the course or send a substitute to complete the next available training program. We reserve the right to charge you for substitute personnel that attend the next training program. If we determine that you (or your Operating Owner) cannot complete initial training to our satisfaction, we may terminate this Agreement.

We may, at any time during the Initial Term of this Agreement, decertify any previously certified personnel if we deem or determine that a person is no longer complying with our standards and procedures. Any person that has been decertified must satisfactorily complete a training or re-training program to receive our certification. We reserve the right to charge for training personnel that have been decertified and to deny recertification to any person who fails to meet our standards and procedures for certification, as we, in our discretion, may determine.

In addition, all management personnel and other personnel working at the Franchised Business must satisfactorily complete all state and local government required training and must meet all required licensing requirements.

Prior to the opening of the Franchised Business, we will, at our cost, send one of our representatives to the Franchised Business for a period not exceeding two (2) business days to assist with the opening of your Franchised Business, which may occur either before or after your Franchised Business commences operation. and may extend beyond the opening date, at our discretion. If you request, and we agree to provide additional opening assistance beyond two (2) business days, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

Subsequent to the opening phase of the Franchised Business, should you need additional training for you or your employees, you may request that we conduct such additional training at your OrthoNOW® Center. Based on availability of trainers and other scheduling particulars, we will conduct such "on-site" training for such period as we deem necessary. We may charge a per diem for the trainer(s), but in all events, you will be solely responsible for the travel, lodging, food and other living expenses of the trainer(s).

4.2 Ongoing Training: Training of Replacement Personnel

We may require you (or your Operating Owner), your Center Manager(s), and/or other previously trained and experienced managers and employees to attend and complete satisfactorily various training courses that we periodically choose to provide at the times and locations that we designate, as well as periodic conventions, regional meetings, and conferences that we specify. We will not charge fees for these courses. However, you agree to pay all the travel, lodging, food and other personal costs of the attendees. At your election, you may send those of your employees who attended the initial training program to our headquarters for additional or refresher training. We will not charge a tuition fee for these refresher sessions. However, you will be responsible for the travel, living and other costs of attendance of the attendees at any refresher training sessions. Refresher training programs will be conducted simultaneously with the initial training program.

We hold annual conventions for all OrthoNOW® franchisees. You are required to attend the annual convention. We may elect to hold other meetings on an annual or other basis which you may be required to attend. If we do so, you will be required to attend and we may charge and you will pay a registration or other attendance fee. You will also be responsible to pay all of the travel and other costs of attendance for all of your attendees.

We require that any replacement Center Manager(s) (if applicable) satisfactorily complete such training programs as we may require for Center Managers within ninety (90) days after being designated as a Center Manager. You agree to pay all travel and living expenses incurred during all training courses and programs by your employees.

You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue and modify from time to time.

4.3 General Guidance

We will advise you from time to time regarding the Franchised Business' operation based on your reports to us and/or our direct or indirect observations, and we will provide general guidance to you with respect to: (a) standards, specifications, and operating procedures and methods regarding operation of an OrthoNOW® Center; (b) advertising and marketing materials and programs; (c) OrthoNOW® Center employee training and recruiting programs; and (d) administrative, bookkeeping, and accounting procedures. We may, but are not obligated to, provide you with information, recommendations or suggestions with regard to new services, products, methods, techniques and procedures for use in your OrthoNOW® Center.

We will provide guidance through our Policy and Procedures Manual; in bulletins or other written materials; by electronic media; by telephone consultation; and/or at our location or the Franchised Business. If you request, and we agree to provide, additional or special guidance, assistance, or training, you agree to pay our then applicable charges, including our personnel's per diem charges and travel and living expenses.

Our guidance does not constitute and is not intended to be used as a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate.

4.4 Policy and Procedures Manual

During the Initial Term, we will provide you with access to our Policy and Procedures Manual ("Manual"), which may include electronic media, information distributed electronically or via the Internet. The Manual contains mandatory and suggested specifications, standards, operating procedures, and rules ("System Standards") that we periodically prescribe for the operation of an OrthoNOW® Center and information on your other obligations under this Agreement. We may modify the Manual as frequently as we feel is in our best interests to keep our brand relevant and competitive to consumers and will make corresponding changes to the Manual and you must adopt and conform to all changes at your expense within the time we allow, which will be reasonable for the specific type of change that we implement.

You agree that the Manual's contents are confidential and that you will not disclose the Manual to any person other than your employees and advisors who need to know its contents to perform the

duties for which they have been hired or engaged. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Manual.

At our option, we may post some or all of the Manual on a network-specific password protected Intranet ("Intranet") and provide you with credentials which will allow you to access the Manual. You agree to monitor and access the Intranet for any updates to the Manual or System Standards. Any passwords or other digital identifications necessary to access the Manual on the Intranet will be deemed to be part of the Confidential Information (defined in Section 6 below).

The Manual is intended to be used as a general reference guide, to set out our System Standards, and is not intended to be used as a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. Notwithstanding any unanticipated effect of any provision of the Manual, you agree to operate the OrthoNOW® Center in full compliance with all applicable laws.

4.5 Delegation of Performance

You agree that we have the right to delegate the performance of any portion or all of our obligations under this Agreement to third-party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

4.6 Advisory Council

We reserve the right to create a franchisee advisory council ("Advisory Council") comprised of OrthoNOW® Center franchisees or representatives of franchisees for the purpose of fostering communications among franchisees and with us. If we create an Advisory Council, you must participate and contribute such dues that may be required, if any, of, or assessed to, franchisees to support the Advisory Council by the members of the Advisory Council. We reserve the right to establish the legal, administrative, and organizational framework for the Advisory Council.

5. MARKS

5.1 Ownership and Goodwill of Marks

Badia Hand to Shoulder, LLC ("BHS"), an affiliated entity, has licensed the Marks to us to use in connection with the franchising, development and operation of OrthoNOW® Centers. Your right to use the Marks is derived only from this Agreement and limited to your operating the Franchised Business according to this Agreement and all System Standards we prescribe. Your unauthorized use of the Marks is a breach of this Agreement and infringes on our and BHS' rights in the Marks. You acknowledge and agree that your use of the Marks and any goodwill established by that use are exclusively for our and BHS' benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you (other than the right to operate the Franchised Business under this Agreement). All provisions of this Agreement relating to the Marks apply to any additional trade and service marks we authorize you to use. You may not at any time during or after this Agreement's Initial Term or any successor term contest or assist any other person in contesting the validity, or our and BHS' ownership, of the Marks.

5.2 Limitations on Your Use of Marks

You agree to use the Marks as the Franchised Business' sole identification, except that you agree to identify yourself or the Entity as its independent operator in the manner we prescribe or as legally required under applicable law (i.e., for tax, licensing, or other purposes). You may not use any Mark, any derivatives of the Marks or similar mark: (1) as part of any corporate or legal business name, except as a fictitious name pursuant to state law; (2) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you); (3) in selling any unauthorized services or products; (4) as part of any domain name, homepage, electronic address, or otherwise in connection with a Website; or (5) in any other manner that we have not expressly authorized in writing. You acknowledge that use of the Marks after termination or expiration of this Agreement constitutes unauthorized use of an identically or virtually indistinguishable Mark.

You may not use any Mark in advertising the transfer, sale, or other disposition of the Franchised Business or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Franchised Business and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

5.3 Notification of Infringements and Claims

You agree to 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, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark Office proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we ask you to take.

5.4 Discontinuance of Use of Marks

If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trade or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We need not reimburse you for your direct expenses of changing the Franchised Business' signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

Our rights in this Section 5.4 apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason that we think best. You acknowledge both our right to take this action and your obligation to comply with our directions.

5.5 Indemnification for Use of Marks

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement if you have timely notified us of, and comply with our directions in responding to, the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Manual, and other directives from us. At our option, we may defend and control the defense of any proceeding arising from your use of any Mark under this Agreement.

6. CONFIDENTIAL INFORMATION

We possess (and will continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating OrthoNOW® Centers, including (without limitation): (a) training and operations materials and manuals; (b) methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and operating OrthoNOW® Centers and providing orthopedic care services to patients; (c) marketing and advertising programs for OrthoNOW® Centers; (d) physician and employee recruitment, training, retention programs; (e) knowledge of specifications for and suppliers of Business Assets, and other products; (f) any computer software or similar technology which is proprietary to us or the System; and (g) knowledge of the operating results and financial performance of OrthoNOW® Centers (subject to compliance with HIPAA and other requirements).

You acknowledge and agree that you will not acquire any interest in Confidential Information, other than the right to use it as we specify in operating the Franchised Business during this Agreement's Initial Term, and that Confidential Information is proprietary and is disclosed to you only on the condition that you agree, that you:

(a) will not use Confidential Information in any other business or capacity;

(b) will keep each item deemed to be part of Confidential Information absolutely confidential, both during this Agreement's Initial Term and then thereafter, for as long as the item is not generally known;

(c) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(d) will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including, without limitation, restricting its disclosure to personnel and others and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third party beneficiary of those agreements with independent enforcement rights.

You are obligated to maintain in your files those signed confidentiality agreements we specify and make them available to us upon request.

Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the health care, and/or orthopedic care industries through publication or communication by others

(without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the health care , and/or orthopedic care industries through publication or communication by others (without violating an obligation to us). Anyone who claims that anything deemed Confidential Information is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

All ideas, concepts, techniques, or materials relating to an OrthoNOW® Center, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "work made-for-hire" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item.

7. EXCLUSIVE RELATIONSHIP

You acknowledge that we have granted you the Franchise in consideration of and reliance upon your agreement to deal exclusively with us. You therefore agree that, during this Agreement's Initial Term, you, any of your owners, and any of your or your owners' immediate family members who have attended any of our training programs, or have participated in any aspects of the operation or management of the Franchised Business ("immediate family members" will include spouses and domestic partners, children 18 years old or older, and such other persons as we may specify following our review of your franchise application and proposed operations and ownership structure), for yourself (or themselves), or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not:

(a) own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling 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);

(b) be, or perform services as, a director, officer, manager, employee, consultant, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business or customer of the Franchised Business to a Competitive Business; or

(d) engage in any other activity which might injure the goodwill of the Marks and System.

The term "Competitive Business" means (i) any orthopedic care center, or a business that offers or provides orthopedic care or management services for an orthopedic care center or any other product or service or management service that is similar to the services and products authorized to be offered, sold or provided under the Marks and the System; or (ii) any business granting franchises or licenses to others to operate the type of business specified in subparagraph (i) (other than an OrthoNOW® Center operated under a franchise agreement with us).

You agree to obtain similar covenants from the personnel and persons we specify, including directors, managers, officers and other employees attending our training program or having access to Confidential Information and immediate family members. We have the right to regulate the form of agreement that you use and to be a third party beneficiary of that agreement with independent enforcement rights.

8. SYSTEM STANDARDS

8.1 Condition and Appearance of the Franchised Business

You agree that:

(a) You will maintain the condition and appearance of the Franchised Business and its Business Assets and the Premises and facilities in accordance with System Standards and consistent with the image of an OrthoNOW® Center as an efficiently operated business offering high quality and professional services and products and observing high standards of patient service and care, and providing efficient, courteous service, and in that connection will take, without limitation, the following actions during the Initial Term of this Agreement: (a) repainting, repair, and refurbishing of the Premises at intervals we prescribe; (b) repair or replacement of damaged, worn out or obsolete Business Assets; and (c) place or display at the Premises only those signs, photographs, artwork, logos, and display and advertising materials that we from time to time approve;

(b) If at any time in our reasonable judgment, the general state of repair, appearance or cleanliness of the Premises or its Business Assets, do not meet our standards, we have the right to notify you, specifying the action you must take to correct the deficiency. You will have ninety (90) days to comply and make these corrections. If you do not initiate action to correct such deficiencies within ninety (90) days after you receive our notice, we have the right, in addition to all other remedies, to enter the Premises and do any required maintenance or refurbishing on your behalf, and you agree to reimburse us on demand for any expenses we incur in that connection; and

(c) On notice from us, you agree to remodel, expand, redecorate, reequip and/or refurbish the Premises and the Franchised Business to reflect changes in the operations of OrthoNOW® Centers which we prescribe and require of new franchisees.

8.2 Franchised Business Services, Specifications, Standards and Procedures

You agree that: (1) the Franchised Business will provide, in compliance with all applicable laws, all of the medical and patient care services, that we specify from time to time; (2) the Franchised Business will offer and sell approved services and products only in the manner we have prescribed and in compliance with applicable laws; (3) you will not offer for sale or sell at or from the Franchised Business, any services or products we have not approved; and (4) we have the right to revoke our approval of services or products to be offered or sold at or from the Franchised Business, and you will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove including by revoking an earlier approval in writing.

8.3 Approved Products, Distributors and Suppliers

We have developed or may develop standards and specifications for types, models and brands of required Business Assets, and other products. We reserve the right from time to time to approve specifications or suppliers and distributors of the products that meet our reasonable standards and requirements. If we do so, you agree to purchase only such products meeting those specifications, and if we require it, only from distributors and other suppliers we have approved.

We may designate a single distributor or supplier (collectively, "supplier") for any product, service, equipment, supply or material and may approve a supplier or distributor only as to certain products.

Approval of a supplier or distributor may be conditioned on requirements relating to product quality, prices, consistency, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier or distributor from time to time.

All products and services you make available at the OrthoNOW® Center, and all equipment, fixtures, furniture, exterior and interior signs and decorations, uniforms, forms and supplies and materials used in the operation of the OrthoNOW® Center, must be approved and conform to the specifications and quality standards established by us from time to time.

If you propose to offer, conduct, or utilize any services, products, Business Assets, materials, forms, items, or supplies in connection with or for sale through your OrthoNOW® Center that are not approved by us, you shall first notify us in writing requesting approval. We may withhold such approval for any reason at our sole discretion; however, in order to make such determination, we may require submission of specifications, information, or samples of such services, products, Business Assets, materials, forms, items, or supplies. We will advise you within thirty (30) days of our receipt of all information we require in order to make a decision whether your request meets our specifications; provided, however, that if we have not provided you with written acceptance within such thirty (30) day period, the request will be deemed rejected. A charge not to exceed the actual cost of the review may be made by us and shall be paid by you. If, at any time (including after our initial approval), we determine that you fail to meet our specifications and standards in connection with the provision of any products or services, we may permanently or temporarily terminate your right to offer such products or services; provided that nothing contained herein shall be deemed a waiver of our right to terminate this Agreement pursuant to Section 14 hereof.

At the time the OrthoNOW® Center opens for business, you will stock the initial inventory of supplies, equipment and materials prescribed by us. Thereafter, you will stock and maintain all types of supplies, equipment and materials which we prescribe or are required, in quantities sufficient to meet reasonably anticipated patient demand.

If applicable law requires the PC that the franchisee (MSO) contracts with have final approval over suppliers used by the PC for any or all Business Assets and EMR and PM software systems, then we will allow the PC to have final approval rights over these matters provided you provide adequate written documentation satisfactory to us to provide the legal requirements, and following our 30 day review of the documentation. Until we delivery written notice concurring with your legal position, the request is deemed denied.

Notwithstanding anything to the contrary contained in this Agreement, you acknowledge and agree that, at our sole option, we may establish one or more preferred vendor programs with one or

more nationally or regionally known suppliers who are willing to supply all or some OrthoNOW® Centers with some or all of the products and/or services that we require for use and/or sale in the development and/or management of OrthoNOW® Centers. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all products and other products and services, and/or refuse any of your requests if we believe that this action is in the best interests of the System or the network of OrthoNOW® Centers. We will have the unlimited right to approve or disapprove of the suppliers who may be permitted to sell products to you.

8.4 Compliance with Laws, Licensing Regulations, and Good Business Practices

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and the other licenses applicable to the operation of orthopedic care centers, and must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including, without limitation, all applicable labor and employment laws and regulations, all data privacy laws, the federal Stark Law, the federal Anti-Kickback Statute, comparable state laws, other state and local health care laws and regulations, the Federal Food, Drug, and Cosmetic Act, HIPAA and the HITECH Act, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the staffing and management of an orthopedic care business. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Franchised Business must in all dealings with its patients, suppliers, us and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. You agree to refrain from any business or advertising practice which may be injurious to our business and the goodwill associated with the Marks and other OrthoNOW® Centers. You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Franchised Business and of any notice of violation of any law, ordinance, or regulation relating to the Franchised Business.

8.5 Management of the Franchised Business

You or your Operating Owner will be charged with responsibility for direct supervision of the Franchised Business on a full-time basis. Your failure to have the Franchised Business managed on a full-time basis by you or your Operating Owner is a default for which we may terminate this Agreement if such default persists for thirty (30) days after notice from us. You must keep us informed at all times of the identity of any supervisory employee(s) acting as Center Manager(s). The Center Manager(s) must devote full time and efforts to the management and supervision of the Franchised Business.

If you (or your Operating Owner) own or control more than one OrthoNOW® Center, each OrthoNOW® Center must be under the direct on-premises supervision of a Center Manager that we have approved, who has completed our training programs and we have certified.

8.6 Insurance

During the Initial Term of this Agreement you must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, professional liability insurance, product liability coverage, personal injury coverage, workers' compensation insurance, employer liability insurance and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Franchised Business' operation, all containing the minimum liability coverage we prescribe from time to time. You must obtain and maintain a fidelity bond in an amount at least equal to the greater of (i) the amount required by applicable state and local laws and regulations or (ii) the amount specified in the Manual. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage's (including reasonable excess liability insurance) 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. These insurance policies must name us and any affiliate(s) we designate as additional insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying premiums no less than annually. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may (but need not) obtain such insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. We encourage you to seek advice from an independent risk management provider who may specify higher limits.

8.7 Compliance with System Standards

You acknowledge and agree that, unless otherwise required or prohibited by applicable law, operating and maintaining the Franchised Business according to System Standards are essential to preserve the goodwill of the Marks and all OrthoNOW® Centers. Therefore, you agree at all times to operate and maintain the Franchised Business according to all of our System Standards, as we periodically modify and supplement them. Although we retain the right to establish and periodically modify System Standards that you have agreed to maintain, the right and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining System Standards at the Franchised Business is solely yours. If you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to operate the Franchised Business, and/or take other actions to enforce the System Standards.

As examples, and without limitation, System Standards may pertain to any one or more of the following, in addition to the items described in Sections 8.1 through 8.6 above:

4.5.1 management and administrative services;

staffing levels and service standards for the Franchised Business; identifying the Franchised Business' personnel; and employee qualifications, training, dress, and appearance (although, you have sole responsibility for all employment policies and decisions of your Franchised Business);

4.5.2 sales, marketing, advertising, and promotional programs;

4.5.3 use and display of the Marks at the Franchised Business and on signs, contracts, products and supplies;

4.5.4 days and hours of operation;

4.5.5 accepting credit and debit cards, other payment methods, and check verification services;

4.5.6 participation in, and compliance with, private and government-sponsored insurance and reimbursement programs;

4.5.7 bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition;

4.5.8 creating, maintaining, safeguarding, and disclosing patient records in compliance with applicable laws, including, without limitation, HIPAA; and

4.5.9 any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks.

However, System Standards will not control the PC's practice of medicine as the PC shall be solely responsible for and have full authority and control over the practice of medicine and the provision of medical and patient care by or at the OrthoNOW® Center. You agree that the System Standards we prescribe in the Manual, or otherwise communicate to you in writing or another tangible form (for example, via the Intranet), are part of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as modified from time to time.

8.8 Modification of System Standards

We periodically may modify System Standards, and these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You agree to implement any changes in System Standards within the time period we request, whether they involve refurbishing or remodeling the Premises or any other aspect of the Franchised Business, buying new Business Assets, adding new services, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date.

9. MARKETING

9.1 Generally

You acknowledge and recognize the value of the OrthoNOW® Marks, the need to develop, enhance, and promote the OrthoNOW® Marks, and the need to advertise and market the OrthoNOW® name. You also acknowledge and recognize the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the OrthoNOW® name. Therefore, you agree to: (i) make local advertising and marketing expenditures pursuant to Section 9.2; and (ii) join and make contributions to a Cooperative pursuant to Section 9.4.

9.2 Marketing by You

You agree to spend, each month, beginning three (3) months after your Grand Opening, at least Nine Hundred Fifty Dollars ($950), to advertise and promote your Franchised Business. This amount shall be adjusted on April 1, of each year in the following manner: The local advertising and promotion fee payable each month during the preceding twelve (12) months shall be multiplied by a fraction, the numerator of which shall be the CPI for the prior calendar year (the "Prior Year") and the denominator of which will be the CPI for the year immediately preceding the Prior Year. For purposes of this calculation, "CPI" means the Consumer Price Index published by the Bureau of Labor Statistics of the U.S. Department of Labor, for All Urban Wage Earners and Clerical Workers, U.S. Cities (1982-84 = 100), "All Items". Notwithstanding the foregoing, the minimum increase shall not be less than three percent (3%) or more than ten percent (10%) at any adjustment date. The new local advertising and promotion minimum expenditure amount shall take effect as of June 1 of each year.

Your monthly expenditure may include the costs to design or develop local marketing programs, subject to our approval. You agree to send us, in the manner we prescribe, an accounting of your expenditures for local advertising and promotion at such times, and for such reporting periods, as we may specify from time to time. Failure to expend the required minimum amount constitutes a default of this Agreement.

Your local advertising and promotion must follow our guidelines, which may include, among other things, requirements for, or restrictions regarding, the use of the Marks and notices of our Website's domain name in the manner we designate. The term "Website" as used in this Agreement means an interactive electronic document contained in a network of computers linked by one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet-World Wide Web, social networking sites (including but not limited to Facebook, Twitter, LinkedIn, YouTube, etc., blogs, vlogs and other applications).

You may not develop, maintain, or authorize, without our prior written approval, any Website that mentions or describes you or the Franchised Business or displays any of the Marks. You agree that your advertising, promotion, and marketing will be completely clear, factual, and not misleading and conform to both the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. You may use direct advertising only directed to customers located within your Territory. When required by applicable law, the advertising that you conduct to promote your OrthoNOW® Center must also identify the name of the PC that furnishes the Affiliated Physicians that render professional services at your OrthoNOW® Center.

9.3 Grand Opening Advertising Program

In addition to and not in lieu of other expenditures for local advertising and promotion, you shall expend a minimum of Eight Thousand Dollars ($8,000.00) for grand opening advertising, marketing and promotional programs in conjunction with the initial opening of the OrthoNOW® Center, pursuant to a form of grand opening marketing plan developed by us, or a plan developed by you and approved in writing by us (the "Grand Opening Advertising Program"). The Grand Opening Advertising Program may commence prior to opening the OrthoNOW® Center and shall be completed within sixty (60) days after the OrthoNOW® Center commences operation. You shall submit to us, for our prior written approval, a marketing plan and samples of all advertising and

promotional material not prepared or previously approved by us. For the purpose of this Agreement, the expenditures of the Grand Opening Advertising Program shall be not be counted toward the local advertising and promotional expenditures required under Sections 9.1 and 9.2 above.

9.4 Cooperatives

9.4.1 We have the right at any time, and from time to time, to create cooperative advertising regions ("Cooperatives"). If and when we create a Cooperative for the geographic region in which your OrthoNOW® Center is located, you will become a member and participate in the Cooperative. Each Cooperative will be organized (including, but no limited to Bylaws and other organizational documents) and governed in a form and manner that we set forth in writing in advance. At all meetings of the Cooperative, each participating franchisee shall be entitled to one (1) vote for each OrthoNOW® Center located within the geographic boundaries of the Cooperative. At any time, upon reasonable notice, twenty percent (20%) of the eligible member votes, or a majority of the directors of the Cooperative, may call a meeting of all members of a Cooperative. Except as provided in Section (b) below, all matters concerning operation of a Cooperative shall be decided by majority vote, provided that a quorum is present, and such vote will bind all members of the Cooperative. A quorum shall consist of at least fifty percent (50%) of the total number of members entitled to cast votes in the Cooperative.

9.4.2 Each Cooperative will be organized and governed in a form and manner, and will commence operations on a date, approved in advance by us, in writing, as follows:

(a) Each Cooperative will be organized for the exclusive purposes of administering regional advertising programs and developing, subject to our approval, standardized promotional materials for use by the members in local advertising; and

(b) No advertising or promotional plans or materials may be used by a Cooperative or furnished to its members without the prior approval of Franchisor.

9.4.3 Each member can be required to contribute to the Cooperative, an amount as determined by a majority of the Cooperative's members eligible to vote. In the event of the approval of Cooperative advertising contributions, each franchisee, including you, shall submit its required contribution to the Cooperative, together with such statements as may be required by the Cooperative.

9.4.4 Your payment of any Cooperative obligation, in accordance with Section (c), will be credited against your local advertising requirement described in Section 9.2.

9.4.5 Although once established, each Cooperative is intended to be of perpetual duration, we will have the right to terminate any Cooperative. A Cooperative will not be terminated, however, until all monies in that Cooperative have been expended for advertising and/or promotional purposes.

9.5 Approvals

For all proposed advertising, marketing, and promotional plans, you will submit samples of such plans and materials to us (by means described in Section 18 below), for our review and prior written approval (except with respect to prices to be charged by you). If written approval is not

received by you from us within ten (10) days of the date of receipt by us of such samples or materials, we will be deemed to have not approved them. You acknowledge and agree that any and all copyright in and right to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must sign such documents (and, if necessary, require your independent contractors to sign such documents) as may be deemed reasonably necessary by us to give effect to this provision.

9.6 Websites

In furtherance of our policies regarding Websites and the presence of the "OrthoNOW®" name on the Internet, we have the right to establish, maintain, and modify one or more Websites that identify the "OrthoNOW®" name, system, and businesses that operate under our Marks. Currently, we intend to establish web pages on one website that identify individual OrthoNOW® Centers, and one such webpage shall specifically identify your Franchised Business. You shall have the right to promote your Franchised Business using this webpage, and to utilize and modify this webpage, provided that you comply with our Website and Internet policies, and our other System Standards. Our current Website is identified as http://www.orthonowcare.com. Nothing in this Agreement shall be deemed or construed to require us to, and we are not responsible for, marketing, advertising or expanding the business of your OrthoNOW® Center.

10. RECORDS, REPORTS AND FINANCIAL STATEMENTS

You agree to establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe from time to time. We may require you to use the PM/EMR System to maintain certain sales data and other information, including designated practice management software. You may use any billing and collection service you choose. Although we may have approved such a service, you are not obligated to use that service. All financial arrangements for your billing and collection service are between you and the independent professional medical corporation or licensed medical professionals that render patient care services at your OrthoNOW Center. You agree to prepare, and if requested by us, to provide to us, in the manner and format that we prescribe from time to time:

(a) a report on Gross Practice Revenues, as provided in Section 3.2, by the fifth (5th) day of each month for the preceding month, and a monthly operating report and/or income statement with business and operating statistics of the type and in the form and manner that we specify;

(b) quarterly profit and loss and source and use of funds financial statements and a balance sheet for the Franchised Business as of the end of the prior calendar quarter;

(c) within ninety (90) days after the end of each calendar year, the operating statements, financial statements, statistical reports, and other information we request regarding you and the Franchised Business covering the previous calendar year; and

(d) within ten (10) days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Franchised Business.

You agree to verify and sign each report and financial statement in the manner we prescribe. We may disclose data derived from these reports, although we will not without your consent (unless

required by law) disclose your identity in any materials that we circulate publicly. Moreover, we may, as often as we deem appropriate (including on a continual basis), access the PM/EMR System and retrieve all information relating to the Franchised Business' operation.

In the event you have been in default of any financial, payment, or reporting obligation under this Agreement, even if cured, more than twice during the Initial Term of this Agreement, in addition to any other remedy available to us pursuant to this Agreement or under applicable law, we reserve the right to require that you prepare, and provide us, audited financial statements on an annual basis. In addition, you must provide us with audited financial statements in the event you prepare them for any other purpose.

You agree to preserve and maintain all records in a secure location at the Franchised Business for at least five (5) years (including, but not limited to, sales checks, purchase orders, invoices, payroll records, customer and client lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers).

11. INSPECTIONS AND AUDITS

11.1 Our Right to Inspect the Franchised Business

To determine whether you and the Franchised Business are complying with this Agreement and to assess your operations and adherence to System Standards, we and our designated agents or representatives may at all times and without prior notice to you: (1) inspect and observe the operation of the Franchised Business; (2) interview the Franchised Business' personnel; and (3) inspect and copy any books, records, and documents relating to the Franchised Business' operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere unreasonably with the Franchised Business's operation.

11.2 Our Right to Audit

We may, ten (10) days after our request, examine the Franchised Business's business, bookkeeping, and accounting records, sales and income tax records and returns, and other records. You agree to cooperate fully with us, our representatives, accountants, auditors, representatives, and/or contractors in any examination. We may conduct our audit or examination at our offices, your OrthoNOW Center or the locations of our representative, accountant, auditor, or contractor. If any examination discloses an understatement of the Franchised Business's Gross Practice Revenues, you agree to pay us, within ten (10) days after receiving the examination report, the Service Fee due on the amount of the understatement, plus our 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 your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of Gross Practice Revenues exceeding three percent (3%) of the amount that you actually reported to us for the period examined; then: (a) you agree to reimburse us for the costs of the examination, including, without limitation, the charges of attorneys and independent accountants and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. These remedies are in addition to our other remedies and rights under this Agreement and applicable law.

If you are required to enter into a Management Services Agreement with a PC, upon our written request, you must audit the books and records of the independent professional medical

corporation or the licensed medical personnel that render professional medical services at your OrthoNOW Center so that we may verify the accurate reporting to us of all Gross Practice Revenues.

12. TRANSFER

12.1 By Us

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

12.2 By You

You understand and acknowledge that the rights and duties this Agreement creates are personal to you (or, if you are an Entity, to your owners) and that we have granted you the Franchise in reliance on your (or your owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, none of the following may be transferred without our prior written approval (which we will not unreasonably withhold if the terms and conditions of this Section 12 are satisfied): (i) this Agreement (or any interest in this Agreement); (ii) the Franchised Business; (iii) the lease for the Premises; (iv) substantially all of the assets of the Franchised Business; (v) any ownership interest in you (regardless of its size); or (vi) any ownership interest in any of your owners (if they are legal entities).

In this Agreement, the term "transfer" includes a voluntary, involuntary, direct, or indirect assignment, sale, gift, or other disposition. Any transfer without our approval is a breach of this Agreement and is of no effect. An assignment, sale, gift, or other disposition includes the following events:

(a) transfer of ownership of capital stock, a partnership or membership interest, or another form of ownership interest;

(b) merger or consolidation or issuance of additional securities or other forms of ownership interest;

(c) any sale of a security convertible to an ownership interest;

(d) transfer of an interest in you, this Agreement, the Franchised Business or substantially all of its assets, or your owners in a divorce, insolvency, or entity dissolution proceeding or otherwise by operation of law;

(e) if you, one of your owners, or an owner of one of your owners dies, a transfer of an interest in you, this Agreement, the Franchised Business or substantially all of its assets, or your owner by will, declaration of or transfer in trust, or under the laws of intestate succession; or

(f) pledge of this Agreement (to someone other than us) or of an ownership interest in you or your owners as security, foreclosure upon the Franchised Business, or your transfer, surrender, or loss of the Franchised Business' possession, control, or management. You

may grant a security interest (including a purchase money security interest) in the Franchised Business' assets (not including this Agreement) to a lender that finances your acquisition, development, and/or operation of the Franchised Business if you give us fifteen (15) days prior written notice and if the pledge and/or financing satisfies our requirements, which may include, without limitation, execution of agreements by us, you, and/or such owners, and any of your secured creditors, in a form satisfactory to us, acknowledging the creditor's obligations to be bound by the terms of this Section 12.

12.3 Conditions for Approval of Transfer

If you (and your owners) are fully complying with this Agreement, then, subject to the other provisions of this Section 12, we will approve a transfer that meets all of the requirements in this Section. If you are an Entity, your owners may transfer a non-controlling ownership interest in you or your owners (determined as of the date on which the proposed transfer will occur) if; (1) the proposed transferee and its direct and indirect owners (if the transferee is an Entity) are of good character and otherwise meet our then applicable standards for a Franchised Business franchisee (including no ownership interest in or performance of services for a Competitive Business); and (2) you give us prior written notice of the transfer.

For any other proposed transfer (including a transfer of this Agreement, a transfer of a controlling ownership interest in you or one of your owners, or a transfer which is one of a series of transfers (regardless of the time period over which these transfers take place) which in the aggregate transfers this Agreement or a controlling ownership interest in you or one of your owners), all of the following conditions must be met before or concurrently with the effective date of the transfer:

(a) the transferee has sufficient business experience, aptitude, and financial resources to operate the Franchised Business;

(b) you have paid all Service Fees and other amounts owed to us and our affiliate(s) and have submitted all required reports and statements, and are not in violation of this Agreement at the time of transfer;

(c) neither the transferee nor its owners (if the transferee is an Entity) or affiliate(s) have an ownership interest (direct or indirect) in or perform services for a Competitive Business;

(d) the transferee (or its Operating Owner) satisfactorily completes our training program at the then-current training cost;

(e) your landlord allows you to transfer the lease or sublease the Premises to the transferee;

(f) the transferee must (if the transfer is of this Agreement), or you must (if the transfer is of a controlling ownership interest in you or one of your owners), sign our then current form of franchise 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, including the Service Fee, provided, however, that the term of the new franchise agreement signed will be the remaining term on this Agreement;

(g) you or the transferee pays us a transfer fee equal to fifteen percent (15%) of the then current initial franchise fee being charged to new franchisees or if we are not then offering new OrthoNOW® franchises the last initial franchise fee charged. However, the transfer fee will be waived if the transferee has obtained the Franchised Business as a result of your death or disability as provided in Section 12.5.

(h) you (and your transferring owners) sign a general release, in a form satisfactory to us, of any and all claims arising before the effective date of the transfer against us and our members, officers, directors, managers, employees, and agents;

(i) we have determined that the purchase price and payment terms will not adversely affect the transferee's operation of the Franchised Business;

(j) if you or your owners finance any part of the purchase price, you and/or your owners agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Franchised Business are subordinate to the transferee's obligation to pay Service Fees, and other amounts due to us, our affiliate(s), and third party vendors and otherwise to comply with this Agreement;

(k) (i) you have corrected any existing deficiencies of the Franchised Business of which we have notified you in writing or by electronic communications, and/or (ii) the transferee agrees to upgrade and refurbish the Franchised Business in accordance with our then current requirements and specifications for OrthoNOW® Centers within the time period we specify following the effective date of the transfer (we will advise the transferee before the effective date of the transfer of the specific actions that it must take and the time period within which such actions must be taken);

(l) you and your transferring owners (and your and your owners' spouses) will not, for two (2) years beginning on the transfer's effective date, engage in any of the activities proscribed in Section 15.4 below; and

(m) you and your transferring owners will not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other OrthoNOW® Centers you own, as required by law, or as necessary to accurately respond to any inquiry regarding your business operations prior to the expiration or termination), identify yourself or themselves or any business as a current or former OrthoNOW® Center or as one of our franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of an OrthoNOW® Center in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us.

We may review all information regarding the Franchised Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or we have made regarding the Franchised Business.

12.4 Transfer to a Wholly-Owned Corporation or Limited Liability Company

Despite Section 12.3 above, if you are fully complying with this Agreement, and other agreements with us and our affiliate(s), and after providing us with written notice, you may transfer this Agreement to a corporation or limited liability company which conducts no business other than the

Franchised Business and, if applicable, other Franchised Businesses, in which you maintain management control, and of which you own and control one hundred percent (100%) of the equity and voting power of all issued and outstanding ownership interests, provided that all of the Franchised Business' assets are owned, and the Franchised Business' business is conducted, only by that single corporation or limited liability company. The corporation or limited liability company must expressly assume all of your obligations under this Agreement. Transfers of ownership interests in the corporation or limited liability company are subject to Section 12.3 above. You agree to remain personally liable under this Agreement as if the transfer to the corporation or limited liability company did not occur.

12.5 Your Death or Disability

(a) Transfer Upon Death or Disability. Upon your or your Operating Owner's death or disability, your or the Operating Owner's executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Operating Owner's ownership interest in you, to a third party (which may be yours or the Operating Owner's heirs, beneficiaries, or devisees). That transfer must be completed within a reasonable time, not to exceed twelve (12) months from the date of death or disability, and is subject to all of the terms and conditions in this Section 12. A failure to transfer your interest in this Agreement or the Operating Owner's ownership interest in you within this time period is a breach of this Agreement.

The term "disability" means a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Owner from supervising the Franchised Business's management and operation for a period of one hundred eighty (180) days.

(b) Operation Upon Death or Disability. Upon your or the Operating Owner's death or disability, your or the Operating Owner's executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or disability, appoint a manager. The manager must complete our standard training program at the sole cost of the manager. A new Operating Owner acceptable to us also must be appointed by the remaining owners for the Franchised Business, and that new Operating Owner must complete our standard training program, within sixty (60) to ninety (90) days after the date of death or disability at the sole cost of the new Operating Owner.

12.6 Effect of Consent to Transfer

Our consent to a transfer of this Agreement and the Franchised Business, or any interest in you or your owners, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Franchised Business' or transferee's prospects of success, or a waiver of any claims we have against you (or your owners) or of our right to demand the transferee's full compliance with this Agreement.

12.7 Our Right of First Refusal

If you (or any of your owners) at any time determine to sell or transfer for consideration an interest in this Agreement or your OrthoNOW® Center, or a direct or indirect ownership interest in you (except to or among your current owners, which is not subject to this Section 12.7), in a transaction that otherwise would be allowed under Sections 12.2 and 12.3 above, you (or your owners) agree to obtain from a responsible and fully disclosed buyer, and send us, a true and

complete copy of a bona fide, signed written offer (which may include a letter of intent) relating exclusively to an interest in you or in this Agreement or your OrthoNOW® Center. 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. We may require you (or your owners) to send us copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

We may, by written notice delivered to you or your selling owner(s) within thirty (30) days after we receive both an exact copy of the offer and all other information we request, elect to purchase the interest offered for the price and on the terms and conditions contained in the offer, provided that:

(a) we may substitute cash for any form of payment proposed in the offer (such as ownership interests in a privately-held entity);

(b) our credit will be deemed equal to the credit of any proposed buyer (meaning that, if the proposed consideration includes promissory notes, we or our designee may provide promissory notes with the same terms as those offered by the proposed buyer);

(c) we will have an additional thirty (30) days to prepare for closing after notifying you of our election to purchase; and

(d) we must receive, and you and your owners agree to 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, including, without limitation, representations and warranties regarding:

(i) ownership and condition of and title to ownership interests and/or assets;

(ii) liens and encumbrances relating to ownership interests and/or assets; and

(iii) validity of contracts and the liabilities, contingent or otherwise, of the entity whose assets or ownership interests are being purchased.

If we exercise our right of first refusal, you and your selling owner(s) (and your and their immediate family members) agree that, for two (2) years beginning on the closing date, you and they will be bound by the non-competition covenant contained in Section 15.4 below. We have the unrestricted right to assign this right of first refusal to a third party, who then will have the rights described in this Section 12.7.

If we do not exercise our right of first refusal, you or your owners may complete the sale to the proposed buyer on the original offer's terms, but only if we otherwise approve the transfer in accordance with, and you (and your owners) and the transferee comply with the conditions in, Sections 12.2 and 12.3 above.

If you do not complete the sale to the proposed buyer within ninety (90) days after we notify you that we do not intend to exercise our right of first refusal, or if there is a material change in the terms of the sale (which you agree to tell us about promptly), we or our designee will have an

additional right of first refusal during the thirty (30) day period following either the expiration of the ninety (90) day period or our receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at our or our designee's option.

12.8 Public and Private Offerings of Securities.

Ownership interests in you or an affiliate of yours (the "securities"), may be offered to the public, by public, or private offering or otherwise, only with our prior written consent, which consent will not be unreasonably withheld. All materials required for any offering of securities by federal or state law shall be submitted to us for review prior to their being filed with any government agency; and any materials to be used in any exempt offering shall be submitted to us for review prior to their use. No offering of securities shall imply (by use of any of the Marks or otherwise) that we are participating in the underwriting, issuance or offering of securities; and our review of any offering shall be limited solely to the subject of the relationship between you and us. You and the other participants in the offering must fully indemnify us in connection with the offering, and must, prior to the offering, sign all documents requested by us to evidence this indemnification. For each proposed offering, you shall pay to us a non-refundable fee of Ten Thousand Dollars ($10,000), or such greater amount as is necessary to reimburse us for our reasonable costs and expenses associated with reviewing the proposed offering, including, without limitation, legal and accounting fees. You shall give us written notice, together with a copy of all documentation pertaining to the proposed offering, at least thirty (30) days prior to the date of commencement of any offering covered by this Section.

13. EXPIRATION OF THIS AGREEMENT

13.1 Your Right To Acquire A Successor Franchise.

When this Agreement expires:

(a) if you (and each of your owners) have substantially complied with this Agreement during its Initial Term; and

(b) if you (and each of your owners) are, both on the date you give us written notice of your election to acquire a successor franchise (as provided in Section 13.2 below) and on the date on which the term of the successor franchise would commence, in full compliance with this Agreement and all System Standards; and

(c) provided that (i) you maintain possession of and agree (regardless of cost) to remodel and/or expand the Premises, add or replace improvements and Business Assets, and otherwise modify your OrthoNOW® Center as we require to comply with System Standards then applicable for new OrthoNOW® Centers, or (ii) at your option, you secure substitute premises that we approve and you develop those premises according to System Standards then applicable for OrthoNOW® Centers, and continue to operate the Franchised Business at the Premises until operations are transferred to the substitute premises;

then, subject to this Section 13, you may acquire a successor franchise to operate your OrthoNOW® Center for four (4) successor five (5) year terms. You agree to sign the franchise agreement we then use to grant franchises for OrthoNOW® Centers (modified as necessary to reflect the fact that it is for a successor franchise), which may contain provisions that differ materially from any and all of those contained in this Agreement; provided that we will waive the initial franchise fee

("Successor Franchise"). However, you must pay a fee in an amount equal to ten percent (10%) of the initial franchise fee that you paid. If you (and each of your owners) are not, both on the date you give us written notice of your election to acquire a Successor Franchise and on the date on which the term of the Successor Franchise commences, in full compliance with this Agreement and all System Standards, you acknowledge that we need not grant you a Successor Franchise, whether or not we had, or chose to exercise, the right to terminate this Agreement under Section 14.

13.2 Grant of a Successor Franchise

You agree to give us written notice of your election to acquire a Successor Franchise during the first ninety (90) days of: (i) the ninth (9th) year of the Initial Term of this Agreement, or (ii) the fourth (4th) year of the term of any Successor Franchise. If you fail to notify us of your decision for a Successor Franchise within the time periods set forth, we need not grant you a Successor Franchise. We agree to give you written notice ("Response Notice"), not more than ninety (90) days after we receive your notice, of our decision:

(a) to grant you a Successor Franchise;

(b) to grant you a Successor Franchise on the condition that deficiencies in your operation of the Franchised Business are corrected; or

(c) not to grant you a Successor Franchise based on our determination that you and your owners have not substantially complied with this Agreement during its Initial Term or were not in full compliance with this Agreement and all System Standards on the date you gave us written notice of your election to acquire a Successor Franchise; or

(d) not to grant you a Successor Franchise because we are no longer granting franchises for OrthoNOW® Centers.

If applicable, our Response Notice will:

(i) describe any remodeling, expansion, improvements or modifications required to bring the Franchised Business into compliance with then applicable specifications and System Standards for new Franchised Businesses; and

(ii) state what you have to do to correct operating deficiencies and the time period in which such deficiencies must be corrected.

If we elect not to grant a Successor Franchise, the Response Notice will describe the reasons for our decision. If we elect to grant you a Successor Franchise, your right to acquire a Successor Franchise is subject to your continued compliance with all of the terms and conditions of this Agreement through the date of its expiration, in addition to your compliance with the obligations described in the Response Notice.

If our Response Notice states that you must cure certain deficiencies of the Franchised Business or its operation as a condition to the grant of a Successor Franchise, we will give you written notice of a decision not to grant a successor Franchise based upon your failure to cure those deficiencies, unless you cure such deficiencies not less than ninety (90) days prior to the expiration of this Agreement. However, we will not be required to give you such notice if we decide not to grant you a Successor Franchise due to your breach of this Agreement during the ninety (90) day period prior

to its expiration. If you fail to notify us of your election to acquire a Successor Franchise, within the prescribed time period, we do not have to grant you a Successor Franchise.

If applicable law requires that we give notice of expiration to you prior to the expiration of the Initial Term, this Agreement shall be deemed to remain in effect on a month-to-month basis until we have given to you that notice of expiration so required and the applicable period required to pass before the notice becomes effective shall have expired.

13.3 Agreements/Releases

If you satisfy all of the other conditions for the grant of a Successor Franchise, you and your owners agree to sign the form of franchise agreement and any ancillary agreements we are then customarily using in connection with the grant of Franchises (modified as necessary to reflect that fact that it is for a Successor Franchise), the terms of which may differ materially from the terms of this Agreement. You and your owners further agree to sign general releases, in form satisfactory to us, of any and all claims against us and our shareholders, members, officers, directors, managers, employees, agents, successors and assigns. Failure by you or your owners to sign such agreements and releases and deliver them to us for acceptance and execution (together with the Successor Franchise fee) within thirty (30) days after their delivery to you will be deemed an election not to acquire a Successor Franchise.

13.4 Training and Refresher Programs

Our grant of a Successor Franchise is also conditioned on the satisfactory completion of any new training and refresher programs as we may require. You are responsible for travel, living and compensation costs of attendees.

13.5 Subsequent Successor Franchises

If you are granted a Successor Franchise, the procedure, fees and conditions for acquiring any subsequent Successor Franchise are the same as described in Section 13.1 through 13.4 above.

14. TERMINATION OF AGREEMENT

14.1 Automatic Termination

You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you, if you shall become insolvent or makes a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the Franchised Business premises or equipment is instituted against you and not dismissed within thirty (30) days; if the real or personal property of your Franchised Business shall be sold after levy

thereupon by any sheriff, marshal, or constable; or if you (or any of your owners) are excluded from participation in any federally-funded health care program, including Medicare and Medicaid.

14.2 Regulatory Termination

If, prior to the expiration of the Initial Term, any federal, state or local regulatory body, including, but not limited to, the Centers for Medicare and Medicaid Services, the Department of Health and Human Services ("HHS") or the Internal Revenue Service determines that this Agreement is illegal, or otherwise materially affects either party's ability to perform under this Agreement, then the affected party shall give the other party such notice as is reasonable under the circumstances and shall make available a reasonable period within which to cure. If no cure is implemented by the parties, then we, in our sole discretion, may terminate this Agreement with such notice as is, in our sole discretion, reasonable under the circumstances.

14.3 Termination Upon Notice Without Opportunity to Cure

You shall be deemed to be in default and we may, at our option, terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you, unless otherwise stated below, upon the occurrence of any of the following events:

(a) you (or any of your owners) have made or make any material misrepresentation or omission in your application for, or in acquiring, the license and franchise rights, or in operating the Franchised Business;

(b) you (or your owners) make or attempt to make any transfer in violation of Section 12;

(c) you fail to maintain any required licenses, permits, or certifications to open or operate the Franchised Business, or fail to comply with any federal, state, or local law regulation, or you operate the Franchised Business in an unsafe manner, and you do not cure or commence to cure this failure within five (5) days after you receive notice thereof;

(d) you or any of your employees fail to meet the state and local certifications or other requirements regarding orthopedic care businesses, or you fail to meet state and local certifications or other requirements for the operation or employment of physicians and other professionals in an orthopedic care center, and you fail to cure this default within ten (10) days after you receive notice thereof, or, alternatively, you fail to prohibit any such employees from working in the Franchised Business, until the requirements are met;

(e) you or any of your employees' licenses to practice medicine in any state or your or any of your employee's federal or state registration to prescribe or administer controlled substances is restricted, suspended or revoked;

(f) you (or any of your owners) are or have been convicted by a trial court of, or plead or have pleaded no contest to, a felony;

(g) you (or any of your owners) engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Franchised Business' reputation or the goodwill associated with the Marks;

(h) you (or any of your owners) knowingly make any unauthorized use or disclosure of any part of the Manual or any other Confidential Information;

(i) you interfere with our relations with third parties and the ability to operate, and/or grant franchises under, our System;

(j) you (or any of your owners) (a) fail on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you; or (b) fail on two (2) or more separate occasions within any eighteen (18) consecutive month period to comply with the same obligation under this Agreement, for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you;

(k) your or any of your owners' assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you or any of your owners otherwise violate any such law, ordinance, or regulation;

(l) you fail to secure an approved site for the Franchised Business within the time period prescribed in Section 2.1;

(m) you understate your Gross Practice Revenues for any period by three percent (3%) or more; or

(n) you are in default of any other agreement with us or any of our affiliate(s), and you have failed to cure the default within the time period, if any, provided for such cure under such agreement(s).

14.4 Termination With Opportunity to Cure

Except as otherwise provided in Sections 14.1 and 14.2 above, upon any other default by you of your obligations hereunder, including those identified below, we may terminate this Agreement by giving written notice of termination, setting forth the nature of such default to you at least thirty (30) days prior to the effective date of termination or any shorter period set forth below; provided, however, that you may avoid termination by immediately initiating a remedy to cure such default, curing it to our satisfaction, and by promptly providing proof thereof to us, all within the thirty (30) day or shorter period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day or shorter period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you have an opportunity to cure the default to avoid termination:

(a) you do not open the Franchised Business for business within the time period prescribed in Section 2.5 (and fail to pay the Extension Fee as required);

(b) you (or your Operating Owner) and/or your initial Center Manager do not satisfactorily complete the initial training program (after we provide a second opportunity as provided in Section 4.1);

(c) you abandon or fail actively to operate the Franchised Business for three (3) or more consecutive business days, unless you close the Franchised Business for a purpose we approve or because of casualty or government order;

(d) you (or any of your owners) misuse our Marks, or use our Marks at any other location owned or operated by you (or any of your owners) without our authorization;

(e) you make any unauthorized use of our proprietary software;

(f) you fail to operate the Franchised Business during the days and hours specified in the Manual without our prior approval, which we will not unreasonably withhold:

(g) you fail to operate the Franchised Business from the Premises or any substitute premises approved by us;

(h) you fail to pay when due any federal or state income, service, sales, or other taxes due on the Franchised Business's operation, unless you are in good faith contesting your liability for these taxes;

(i) you fail to promptly pay your suppliers, including any of our affiliate(s), when such payments are due except in connection with a good faith dispute that you have with third-party suppliers: or

(j) you fail to obtain or maintain the insurance we require or you fail to repay us for the insurance that we have paid on your behalf and you do not correct the failure within thirty (30) days after we deliver written notice of that failure to you;

(k) you fail to timely and accurately report Gross Practice Revenues, including those generated by MSO sales of products and services;

(l) you fail to pay us (or our affiliate(s)) any amounts due and do not correct the failure within five (5) days after we deliver written notice of that failure to you, or immediately if payment has not been made within thirty (30) days of its due date;

(m) you violate any law, ordinance, rule or regulation of a governmental agency in connection with the operation of your OrthoNOW® Center and fail to correct such violation within seventy-two (72) hours after you receive notice from us or any other party; provided, however, that if the violation is curable but is (a) of a nature which cannot reasonably be cured within such seventy-two (72) hour period and (b) not of a nature which presents an imminent health or safety concern, and you have commenced and are continuing to make good faith efforts to cure the violation, you will be given an additional reasonable period of time to complete the cure of the violation, not to exceed thirty (30) days, in the aggregate; provided that if the notice from the governmental agency sets a shorter time period for correction of the violation, such shorter time period shall control;

(n) you (or any of your owners) fail to comply with any other provision of this Agreement, the Manual, or any System Standard.

14.5 Extended Notice of Termination

If any law applicable to this Section 14, or Section 13 above, requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor franchise agreement, than is specified in this Agreement, a different standard of "good cause," or the taking of some other action not required under this Agreement, the prior notice, "good cause" standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

14.6 Remedies other than Termination

If you commit any act, or any other event occurs, which constitutes grounds for termination of this Agreement by us under any provision of this Agreement, we may instead elect to reduce the Territory or terminate your territorial protection set forth in Section 1.3, which will take effect immediately upon our written notice to you or institute an appropriate legal proceeding. Our election of any of these remedies will not preclude us from invoking our right to terminate if the act or event constituting grounds for termination continues to exist.

15. OUR AND YOUR RIGHTS AND OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THIS AGREEMENT

15.1 Payment of Amounts Owed to Us

You agree to pay us within fifteen (15) days after this Agreement expires or is terminated, or on any later date that we determine, the Service Fees, interest, and all other amounts owed to us (and our affiliate(s)) which then are unpaid. You and we also agree that it would be difficult if not impossible to determine the amount of damages that we would suffer due to a termination of this Agreement because of your default or termination without cause. Therefore, you and we agree that a reasonable estimate of those damages (as liquidated damages and not as a penalty) is the net present value of an amount equal to the average of the preceding twenty-four (24) months of Service Fees due and payable pursuant to Section 3.2, multiplied by the lesser of (i) thirty-six (36), or (ii) the number of full months remaining in the term of the Franchise Agreement, except that liquidated damages will not, under any circumstances, be less than seventy thousand dollars ($70,000). You shall pay all costs, expenses and attorneys' fees incurred by us in enforcing the terms and conditions of this provision. Nothing contained herein shall be construed as prohibiting us from additionally pursuing any other remedies which may be available to us for such breach, including recovery of actual damages.

15.2 Marks

When this Agreement expires or is terminated for any reason:

(a) you may not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other OrthoNOW® Centers you own or as required by law, or as necessary to accurately respond to any inquiry, or as required by law, regarding your business operations prior to the expiration or termination) identify yourself or any business as a current or former OrthoNOW® Center or as one of our current or former franchisees; use any Mark, any colorable imitation of a Mark, or other indicia of an OrthoNOW® Center in any manner or for any purpose as such provides us with the right to seek appropriate remedies under the counterfeiting provisions of the Federal Trademark Act (the Lanham Act); or use for any

purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

(b) you agree to take the action required to cancel all fictitious or assumed name or equivalent registrations relating to your use of any Mark;

(c) you agree to deliver to us within thirty (30) days all signage, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to an OrthoNOW® Center that we request and allow us, without liability to you or third parties for trespass or any other claim, to enter the Premises and remove these items from the Franchised Business;

(d) if we do not have or do not exercise an option to purchase the assets of Franchised Business under Section 15.5 below, you agree promptly and at your own expense to make the alterations we specify in our Manual (or otherwise) to distinguish the Franchised Business and the Premises clearly from its former appearance and from other OrthoNOW® Centers in order to prevent public confusion;

(e) you agree to notify the telephone company, all telephone directory publishers, and all domain name registries and Internet service providers of the termination or expiration of your right to use any telephone, facsimile, URLs and domain names, or other numbers names and telephone directory listings associated with any Mark; to authorize the transfer of these numbers, names, and directory listings to us or at our direction; and/or to instruct the telephone company, domain name registries, and Internet service providers to forward all calls, e-mails and electronic communications made to your names, numbers, or addresses to names, numbers, or addresses we specify. If you fail to do so, we may take whatever action and sign whatever documents we deem appropriate on your behalf to effect these events; and

(f) you agree to give us, within thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations.

15.3 Confidential Information

You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise and return to us all copies of the Manual and any other confidential materials that we have loaned you.

15.4 Covenant Not to Compete

Upon:

(a) our termination of this Agreement according to its terms and conditions,

(b) your termination of this Agreement without cause, or

(c) expiration of this Agreement (if we offer, but you elect not to sign, a successor franchise agreement, or if we do not offer you a successor franchise agreement due to

your failure to satisfy the conditions for a successor franchise agreement set forth in Section 13), you and your owners agree that, for two (2) years beginning on the later to occur of (i) the effective date of termination or expiration or (ii) the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4 or (iii) if litigation is necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction enforcing the Agreement, you and your owners, and your and their immediate family members, for yourself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or be or perform services as a partner, director, manager, employee, consultant, representative, agent or in any other capacity in any Competitive Business (as defined in Section 7 above), that is or may be located or operating:

(a) at the Premises;

(b) within the Territory;

(c) within fifty (50) miles of the Premises; or

(d) within the territory, area, or market area of any other OrthoNOW® Center in operation 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 begin to comply with this Section.

In addition, during the two (2) year period referred to above, you or your owners may not solicit any of our employees or employees of any other then-operating OrthoNOW® Center on behalf of any Competitive Business that is or may be located, or is or may have a business located, or services any customer, client, or person in any of the areas described in sub-clauses (a), (b), (c) or (d) above.

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 Section 15.4.

These restrictions also apply after transfers, as provided in Section 12.3 above. You and your owners expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your ability to earn a living.

15.5 Our Right to Purchase Certain Assets of the Franchised Business

Upon termination of this Agreement, or upon expiration of this Agreement if you do not enter into a successor franchise agreement, we will have the right and option, but not the obligation, to purchase any and all of the assets of the Franchised Business at a purchase price equal to their fair market value. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days after the date of termination or expiration of this Agreement. We will have the right to inspect any equipment at any time prior to or during this thirty (30) day period. If we elect to purchase the equipment, we will be entitled to, and you must provide, all customary warranties and representations relating to the equipment purchase, including, without limitation, representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and

clear of any liens and encumbrances). If we and you cannot agree on fair market value, fair market value will be determined by three (3) independent accredited experienced appraisers. You and we will each select one (1) appraiser, and one (1) will be selected by mutual agreement of the other two (2) appraisers. You and we agree to select our respective appraisers within fifteen (15) days after we notify you that we wish to exercise our purchase option (if you and we have not agreed on fair market value before then). You and we will share equally the appraisers' fees and expenses. The appraisers must complete their appraisals within thirty (30) days after their appointment. The purchase price will be the average of the three (3) appraised values. If the two (2) appraisers cannot agree on the third appraiser, one will be chosen by the American Arbitration Association.

15.6 Continuing Obligations

All of our and your (and your 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.

16. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION

16.1 Independent Contractors

You and we understand and agree that this Agreement does not create a fiduciary relationship between you and us, that you and we are and will be independent contractors, and that nothing in this Agreement is intended to make either you or us a general or special agent, joint venturer, partner, or employee of the other for any purpose. You agree to identify yourself conspicuously in all dealings with customers, suppliers, public officials, Franchised Business personnel, and others as the Franchised Business' owner under a Franchise we have granted and to place notices of independent ownership on the forms, business cards, stationery, advertising, and other materials we require from time to time.

Your employees are solely yours; we have no control, obligation, or responsibility for or to your employees or your employment policies or decisions. As to your employees, you are solely responsible for: their hiring, firing; promotion or demotion; employment policies, including employee relations; human resources matters; controlling work schedules and conditions of employment (e.g., meal and rest breaks, time-keeping); determining pay rates, method of payment and classification; benefits and maintenance of employment records; monitoring performance; and training and supervision.

You acknowledge that while we have responsibility for the integrity, promotion and quality of the OrthoNOW® brand, the Marks and the services associated therewith, you are solely responsible for the day-to-day decisions and operations of the Franchised Business consistent with System Standards. Furthermore, you acknowledge that, if applicable law requires that you enter into a Management Services Agreement with a PC, the PC shall be solely responsible for and have full authority and control over the practice of medicine and the provision of medical and patient care by or at the OrthoNOW® Center and other aspects of the clinical practice of medicine.

16.2 No Liability for Acts of Other Party

We and you 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 our

respective relationship is other than franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Franchised Business' operation or the business you conduct under this Agreement.

16.3 Taxes

We will have no liability for any sales, use, service, occupation, excise, gross receipts, income, property, employment, or other taxes, whether levied upon you or the Franchised Business, due to the business you conduct (except for our income taxes). You are responsible for paying these taxes and must reimburse us for any taxes that we must pay to any state taxing authority on account of either your operation or payments that you make to us.

16.4 Indemnification

You agree to indemnify, defend, and hold harmless us, our affiliate(s), and our and their respective members, directors, managers, officers, employees, agents, successors, and assigns (the "Indemnified Parties") 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 Franchised Business' operation, including all federal, state and local employment and labor laws and regulations, all data privacy laws, the business you conduct under this Agreement, or your breach of this Agreement, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court with competent jurisdiction; provided, however, that this indemnification shall not apply to matters where we have been found liable in a court of competent jurisdiction for causing the costs or claims.

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', 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 your expense and agree to settlements or take any other remedial, corrective, or other actions. We have the right to designate attorneys that you must retain to defend any claims subject to this indemnification provision.

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 party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree 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 you under this subparagraph.

16.5 Business Associate

You and we understand and agree that certain protected health information may be disclosed to us in the course of providing services hereunder, and we may be considered a "business associate" of yours, as defined in HIPAA, and may be required by applicable law, including, without limitation, HIPAA, the HITECH Act, and applicable state laws and regulations, to enter into a Business

Associate Agreement. In the event we are required to enter into a Business Associate Agreement, we mutually agree to enter into an agreement in the form attached hereto as Exhibit F.

17. ENFORCEMENT

17.1 Severability and 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, and/or length of time, but would be enforceable if modified, you and we 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 our 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 and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement, and we 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. You agree 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.

17.2 Waiver of Obligations

We and you 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 we or you have, 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.

We and you will not waive or impair any right, power, or option this Agreement reserves (including, without limitation, our 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; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including, without limitation, any System Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other OrthoNOW® Centers; the existence of franchise agreements for other Franchised Businesses which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or

restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (1) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (2) acts of God; (3) fires, strikes, embargoes, war, acts of terrorism or similar events, or riot; or (4) any other similar event or cause. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Service Fees due afterward.

17.3 Costs and Attorneys' Fees

If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree to reimburse us for all of the costs and expenses that we incur, including, without limitation, reasonable accounting, attorneys' and related fees. However, in the event of litigation, the prevailing party shall be entitled to recover, at all trial and appellate levels, its costs and expenses, including reasonable attorney's fees.

17.4 Rights of Parties are Cumulative

Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

17.5 Dispute Resolution

Before you and we may bring an action against the other, you and we must first meet to mediate the dispute (except as otherwise provided below). Any such mediation or arbitration shall be non-binding mediation or binding arbitration.

Mediation shall be conducted by the CPR Center for Alternative Dispute Resolution, under the rules established by the International Franchise Association endorsed National Franchise Mediation Program, and in accordance with its then-current rules for mediation of franchise disputes (and in the event such program is not then in existence, by the American Arbitration Association in accordance with its then-current rules for mediation of commercial disputes). Notwithstanding the previous sentence, the parties may mutually agree on a mediator and/or procedures and/or venue for mediation.

The non-binding mediation provided for under this Section 17.5 shall be commenced by the party requesting mediation (the "complainant") providing written notice of the request for mediation (the "request") to the party with whom mediation is sought (the "respondent"). The request shall specify with reasonable particularity the matter or matters on which non-binding mediation is sought. A copy of the request shall be given by the complainant simultaneously to us if we are not a complainant or respondent.

Non-binding mediation commenced under this Section shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. All aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service. The mediator selected shall have experience in franchise matters.

Any dispute not resolved in non-binding mediation must be submitted to binding arbitration in accordance with the Federal Arbitration Act under the Commercial Arbitration Rules then prevailing of the American Arbitration Association, including without limitation the Optional Rules for Emergency Measures of Protection ("AAA"), and not under any state arbitration laws, and judgment on the arbitration award may be entered in any court of competent jurisdiction. You and we agree that arbitration shall be conducted on an individual -- not a class-wide basis. The Federal Arbitration Act shall apply to all arbitration and arbitration venue questions. Any award by the arbitrator(s) shall be final, binding and nonappealable, except for errors of law. Unless the parties agree in writing at the time an arbitration proceeding is commenced to have a single arbitrator, the matter shall be heard by three (3) arbitrators, with each party selecting one (1) arbitrator and the third (3) arbitrator to be selected by the AAA. The arbitrator selected by the AAA shall have at least ten (10) years' experience in practicing franchise law during which franchise law is or has been their primary area of practice and shall have substantial experience in the preparation of franchise agreements and franchise disclosure documents. **You understand that by agreeing to arbitrate you give up jury, appeal and other rights you might have in court. You irrevocably waive your right to (and your owners and guarantors, if applicable irrevocably waive and surrender their right to) pursue a judicial remedy of any claim arising out of, or related to this dispute, except as elsewhere expressly provided in this agreement.**

Notwithstanding the provisions above, you agree that we, at our option, will have the right to seek preliminary injunctive relief from a court of competent jurisdiction, or in the first instance from an arbitrator, to restrain any conduct by you in the development or operation of the OrthoNOW® Center that could materially damage the good will associated with the Marks and the System, provided that if you counter, as you may, by initiating arbitration, we agree to arbitrate the entire dispute thereafter except preliminary injunctive relief (and permanent injunctive relief also, if you will not agree that the preliminary injunction shall remain effective indefinitely until the arbitrator shall dissolve it), leaving the court action pending, if it chooses, to facilitate enforcement. You agree that we will not be required to post a bond to obtain any injunctive relief with respect to use of the Marks.

17.6 Governing Law

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 el seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Florida, without regard to its conflict of laws rules, except that any Florida law regulating the sale of franchises or business opportunities or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this paragraph.

17.7 Consent to Jurisdiction

You and your owners agree that all actions arising under this Agreement, or arising out of the offer and sale of rights to operate the Franchised Business, or otherwise as a result of the relationship between you and us must be commenced in a state or federal court of competent jurisdiction within such state or judicial district in which we have our principal place of business at the time the action is commenced, and you (and each owner) irrevocably submit to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this Agreement in the courts of the state or states in which you are domiciled or the Franchised Business is located.

17.8 Waiver of Punitive Damages and Jury Trial

EXCEPT FOR YOUR OBLIGATION TO INDEMNIFY US FOR THIRD PARTY CLAIMS UNDER SECTION 16.4, AND EXCEPT FOR PUNITIVE DAMAGES AVAILABLE TO EITHER PARTY UNDER FEDERAL LAW, WE AND YOU (AND YOUR 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 US AND YOU, THE PARTY MAKING A CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND TO RECOVERY OF ANY ACTUAL DAMAGES IT SUSTAINS.

WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF US.

17.9 Binding Effect

This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Manual and System Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

17.10 Limitations of Claims and Waiver of Class Actions

YOU AND YOUR OWNERS AGREE NOT TO BRING ANY CLAIM ASSERTING THAT ANY OF THE MARKS ARE GENERIC OR OTHERWISE INVALID. EXCEPT WITH REGARD TO YOUR OBLIGATION TO PAY US AND OUR AFFILIATE(S) SERVICE FEE PAYMENTS, COOPERATIVE CONTRIBUTIONS, AND OTHER PAYMENTS DUE FROM YOU PURSUANT TO THIS AGREEMENT OR OTHERWISE, ANY CLAIMS BETWEEN THE PARTIES MUST BE COMMENCED WITHIN EIGHTEEN (18) MONTHS FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM, OR SUCH CLAIM SHALL BE BARRED. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MIGHT BE SHORTER THAN OTHERWISE ALLOWED BY LAW. YOU AND YOUR OWNERS AGREE THAT YOUR AND THEIR SOLE RECOURSE FOR CLAIMS ARISING BETWEEN THE PARTIES SHALL BE AGAINST US OR OUR SUCCESSORS AND ASSIGNS. YOU AND YOUR OWNERS AGREE THAT OUR MEMBERS, MANAGERS, DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, AND AFFILIATE(S) SHALL NOT BE PERSONALLY LIABLE NOR NAMED AS A PARTY IN ANY ACTION BETWEEN US OR OUR AFFILIATE(S) AND YOU OR YOUR OWNERS. WE, YOU AND YOUR OWNERS FURTHER AGREE THAT, IN CONNECTION WITH ANY SUCH PROCEEDING, EACH 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 AS

THE CLAIM TO WHICH IT RELATES. ANY SUCH CLAIM WHICH IS NOT SUBMITTED OR FILED AS DESCRIBED ABOVE, WILL BE FOREVER BARRED. THE PARTIES AGREE THAT ANY PROCEEDING WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE, BASIS, AND THAT A PROCEEDING BETWEEN US AND YOU OR YOUR OWNERS MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING BETWEEN US AND ANY OTHER PERSON OR ENTITY, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN US AND YOU. 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.

17.11 Our Discretion and Judgment

Whenever we have expressly reserved in this Agreement a right and/or discretion (or we are deemed to have a right and/or discretion) to take or withhold an action, or to grant or decline to grant you a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, we may make such decision or exercise our right and/or discretion on the basis of our judgment of what is in our best interests, which includes what we believe to be the best interests of the franchise network at the time our decision is made or our right or discretion is exercised even though (1) there may have been other alternative decisions or actions that could have been taken; (2) our decision or the action taken promotes our financial or other individual interest; or (3) our decision or the action we take may apply differently to different franchisees or our company-owned or affiliate-owned operations. In the absence of an applicable statute, we will have no liability to you for any such decision or action. We and you intend that the exercise of our right or discretion will not be subject to limitation or review.

If applicable law implies a covenant of good faith and fair dealing in this Agreement, we and you agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants us the right to make decisions, take actions and/or refrain from taking actions not inconsistent with your rights and obligations hereunder.

17.12 Construction

The preambles, background, exhibits, and Manual are a part of this Agreement, and this Agreement and the exhibits and attachments hereto, constitute the entire, full and complete agreement between the parties hereto, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements. There are no other oral or written understandings or agreements between us and you, or oral representations by us, or written representations by us (other than those set forth in our Franchise Disclosure Document that we provided to you), relating to the subject matter of this Agreement, the franchise relationship, or the Franchised Business. Any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement. However, and notwithstanding the foregoing, nothing in this Agreement or in any related agreement is intended to disclaim any representations made by us in the Franchise Disclosure Document that we furnished to you.

Any policies that we adopt and implement from time to time to guide us in our decision-making are subject to change, are not a part of this Agreement, and are not binding on us.

Except as provided in Section 16.4, 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.

Except where this Agreement expressly obligates us reasonably to approve or not unreasonably to withhold our approval of any of your actions or requests, we have the absolute right to refuse any request you make or to withhold our approval of any of your proposed, initiated, or completed actions that require our approval. The headings of the sections and paragraphs are for convenience only and do not define, limit, or constrict the contents of these sections or paragraphs.

References in this Agreement to "we," "us," and "our," with respect to all of our rights and all of your obligations to us under this Agreement, include any of our affiliate(s) with whom you deal. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling you or us. "Control" means the power to direct or cause the direction of management and policies.

If two (2) or more persons are at any time the owners of the Franchise and the Franchised Business, whether as partners or joint venturers, their obligations and liabilities to us 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 you (or a transferee of this Agreement and the Franchised Business or an ownership interest in you), including, without limitation, any person who has a direct or indirect interest in you (or a transferee), this Agreement, the Franchise, or the Franchised Business 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 ownership interest" in you or one of your owners (if an Entity) mean the percent of the voting rights that results from dividing one hundred percent (100%) of the ownership interests by the number of owners. In the case of a proposed transfer of an ownership interest in you or one of your owners, the determination of whether a "controlling ownership interest" is involved must be made as of both immediately before and immediately after the proposed transfer to see if a "controlling ownership interest" will be transferred (because of the number of owners before the proposed transfer) or will be deemed to have been transferred (because of the number of owners after the proposed transfer). For purposes of the foregoing "a controlling ownership interest" shall be deemed to be that percentage, either singularly or in the aggregate, sufficient to result in the ability to make binding decisions for the Entity under its governing documents.

"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 "Franchised Business" includes all of the assets of the OrthoNOW® Center you operate under this Agreement, including its revenue and the lease.

This Agreement may be signed in multiple copies, each of which will be deemed an original.

17.13 Injunctive Relief

Nothing in this Agreement bars our right to seek and obtain specific performance of the provisions of this Agreement and injunctive relief against threatened conduct that will cause us, the Marks and/or the System loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Despite the provisions of Section 17.7 above, we may seek injunctive relief in the jurisdiction in which you have your principal place of business and in the jurisdiction in which the OrthoNOW® Center is operated and in which the acts or conduct which are the subject of such relief are being or are threatened to be performed. You agree that we may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. You agree that we will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

18. NOTICES AND PAYMENTS

All written notices, reports, and payments (for payments, if any, that are not made electronically) permitted or required to be delivered by this Agreement or the Manual shall be in writing and shall be personally delivered, sent by certified mail, a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses shown on Exhibit A of this Agreement, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

19. COMPLIANCE WITH ANTI-TERRORISM LAWS

You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any of the Anti-Terrorism Laws. "Anti-Terrorism Laws" mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your owners, or any blocking of your or your owners' assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement, as provided in Section 14.1 above.

20. FINES

For each instance where you fail to attend franchisor sponsored conventions, fail to timely submit reports, fail to attend marketing meetings or required conventions, or offer unauthorized products or services, without our prior written permission, we shall, at our option, have the right to levy a fine in an amount up to Two Thousand Five Hundred Dollars ($2,500) per occurrence and in the case of failure to submit reports, an additional 1.5 percent (1.5%) of Gross Sales. The imposition of a fine pursuant to this section shall not act as a waiver of any of our other remedies under this Agreement. Furthermore, we have the right to collect any such fines by means of EFT.

21. ACKNOWLEDGMENTS

You hereby acknowledge the following:

YOU ACKNOWLEDGE THAT WE HAVE PROVIDED YOU WITH A FRANCHISE DISCLOSURE DOCUMENT NOT LATER THAN FOURTEEN (14) DAYS BEFORE THE EXECUTION OF THIS FRANCHISE AGREEMENT, OR FOURTEEN (14) DAYS BEFORE ANY PAYMENT OF ANY CONSIDERATION, UNLESS STATE LAW REQUIRES A DIFFERENT PERIOD. YOU FURTHER ACKNOWLEDGE THAT YOU HAVE READ SUCH FRANCHISE DISCLOSURE DOCUMENT AND UNDERSTAND ITS CONTENTS. IF REQUIRED BY STATE LAW, WE PROVIDED YOU WITH A FRANCHISE DISCLOSURE DOCUMENT AT THE FIRST PERSONAL MEETING HELD TO DISCUSS THE SALE OF AN ORTHONOW® FRANCHISE.

YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO REVIEW THIS FRANCHISE AGREEMENT, AS WELL AS THE FRANCHISE DISCLOSURE DOCUMENT, AND THAT YOU HAVE CONSULTED WITH AN ATTORNEY OR OTHER PROFESSIONAL ADVISOR.

YOU ACKNOWLEDGE THAT IT IS A REQUIREMENT THAT YOU RETAIN INDEPENDENT HEALTH CARE COUNSEL TO ASSIST YOU IN COMPLYING WITH ALL APPLICABLE FEDERAL AND STATE LAWS BEARING ON THE STRUCTURING, ESTABLISHMENT AND OPERATION OF THE BUSINESS LICENSED BY THIS FRANCHISE AGREEMENT, SPECIFICALLY INCLUDING, BUT NOT LIMITED TO, OPERATING AS A "GROUP PRACTICE" [42 C.F.R. § 411.351], THE STARK LAW [42 U.S.C. § 1395nn] AND ITS EXCEPTIONS, THE FEDERAL ANTI-KICKBACK STATUTE [42 U.S.C. § 1320a-7b(b)] AND ITS SAFE HARBORS, THE FEDERAL FOOD, DRUG, AND COSMETIC ACT, 21 U.S.C. § 301 ET. SEQ., AND THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996, AS AMENDED.

YOU ALSO CONFIRM YOUR UNDERSTANDING THAT THE SUCCESS OF THE BUSINESS LICENSED BY THIS FRANCHISE AGREEMENT IS SPECULATIVE AND DEPENDS TO A LARGE EXTENT ON YOUR ABILITY AS AN INDEPENDENT BUSINESS PERSON AS WELL AS OTHER FACTORS. YOU ALSO RECOGNIZE AND ACKNOWLEDGE THAT YOU MAY INCUR EXPENSES OR OBLIGATIONS WHICH THIS FRANCHISE AGREEMENT MAY NOT ADDRESS.

YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE NOT RECEIVED ANY REPRESENTATION, WARRANTY OR GUARANTEE, EXPRESS OR IMPLIED, AS TO THE POTENTIAL VOLUME, PROFITS OR SUCCESS OF AN ORTHONOW® CENTER. IN FACT, YOU ACKNOWLEDGE THAT YOU HAVE ENTERED INTO THIS FRANCHISE AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF THE BUSINESS AND OF US.

YOU ARE AWARE OF THE FACT THAT OTHER PRESENT OR FUTURE OF OUR FRANCHISEES MAY OPERATE UNDER DIFFERENT FORMS OF AGREEMENT(S), AND CONSEQUENTLY THAT OUR OBLIGATIONS AND RIGHTS WITH RESPECT TO OUR VARIOUS FRANCHISEES MAY DIFFER MATERIALLY IN CERTAIN CIRCUMSTANCES.

THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly signed as of the day and year first above written.

ORTHONOW, LLC, a Florida limited liability company

By: _____

_____

Print Name and Title

FRANCHISEE

_____

Name of Entity

By: _____

_____

Print Name and Title

EXHIBIT A
TO THE FRANCHISE AGREEMENT

TERRITORY AND INITIAL FEE

1. The Premises of the Franchised Business will be located at:

_____
_____
_____
_____

2. The Territory shall be:

_____
_____
_____
_____

(as depicted on the map attached to this Exhibit A).

3. The Initial Term of this Franchise Agreement will expire Ten (10) years after the Effective Date; see Section 1.1.)

4. The initial franchise fee shall be: Sixty-Five Thousand Dollars ($65,000).

5. The designated address for notices under Section 18 of the Agreement shall be as follows:

Notices to Franchisor:

ORTHONOW, LLC
3650 NW 82nd Avenue, Suite 103
Doral, Florida 33166
Telephone: _____
Fax: _____
Attn: _____

Notices to Franchisee:

_____
_____
_____
Telephone: _____
Fax: _____
Attn: _____

ORTHONOW, LLC, a Florida limited liability company

By: _____

_____
Print Name and Title

_____
Date

FRANCHISEE

_____

Name of Entity

By: _____

_____

Print Name and Title

EXHIBIT B
TO THE FRANCHISE AGREEMENT

SITE SELECTION ADDENDUM

OrthoNOW, LLC ("we" or "us") and ("you") have, as of _____ (the "Effective Date") entered into a OrthoNOW® Franchise Agreement ("Franchise Agreement") and desire to supplement its terms as set out below in this Site Selection Addendum (the "Addendum"). The parties hereto agree as follows:

AGREEMENT

1. TIME TO LOCATE SITE

Within forty-five (45) days after the Effective Date (the "Search Period"), you must submit to us for approval, as hereinafter provided, a commercial real estate site that is properly zoned for the use of the business to be conducted by you under the Franchise Agreement (a "Franchised Business"). Such site must be within the following area: _____ (the "Site Selection Area"). The Site Selection Area is described solely for the purpose of selecting a site for the Franchised Business. The Site Selection Area does grant you any exclusive territorial rights, and we may establish, or franchise others to establish, an OrthoNOW® Center operating under the System within the Site Selection Area during the Search Period. You acknowledge and agree that we will have no responsibility for, or liability to you for, any site review, analysis, evaluation, or recommendation undertaken by or on behalf of any real estate broker or advisor used or retained by you, even if such broker or advisor was approved or recommended by us. If you fail to acquire or lease a site for the Franchised Business within the Search Period, such failure will constitute a default under Section 14.3 of the Franchise Agreement and under this Addendum, and we may have the right to terminate the Franchise Agreement and this Addendum pursuant to the terms of Section 14.3 of the Franchise Agreement.

2. SITE EVALUATION SERVICES

We or our designee will assist you in your location selection process by providing you with our location guidelines and criteria, and sources to obtain demographic information related to the Territory. Our advice and information may include a demographic analysis of the proposed Territory and possible locations, competitive orthopedic care centers in the potential market or area, existing OrthoNOW® Centers and their proximity to the potential Territory, and other data. We will provide you with certain recommended or required specifications for your location. If we have completed any research on the market area that you are considering, we will provide you with it for information and background purposes only. You should verify all information provided. We or our designee will perform any on-site evaluation as we may deem advisable in response to your requests for site approval; provided, however, that we are not be required to provide on-site evaluation for any proposed site.

3. SITE SELECTION PACKAGE SUBMISSION AND APPROVAL

You must submit to us, in the form we specify, a site selection package which must include a copy of the site plan, financial information, and such other information or materials as we may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to us which confirms your favorable prospects for obtaining the site. You acknowledge that time is

of the essence. We will have forty-five (45) days after our receipt from you of a complete site selection package and request for approval, and such information and materials as we may request, to approve or disapprove, the proposed site as the location for the Franchised Business. In the event we do not disapprove a proposed site by written notice to you within said forty-five (45) days, such site will be deemed disapproved by us.

4. LEASE RESPONSIBILITIES

You must sign a lease which must be coterminous with the Franchise Agreement, or a binding agreement to purchase the site within thirty (30) days from the date that we issue approval of your site. Your lease must contain the provisions set forth within the Lease Rider attached hereto as Exhibit 1. However, we will not be responsible for review of the Lease for any terms other than those contained in the Lease Rider.

5. APPROVED LOCATION

After the location for the Franchised Business is approved by us pursuant to the Section 3 hereof and leased or acquired by you pursuant to Section 4 hereof, the location shall constitute the Premises described in Section 1.1 of the Franchise Agreement. The Approved Location will be specified on Exhibit A to the Franchise Agreement, and shall become a part the Franchise Agreement. The Territory, as defined under Section 1.1 of the Franchise Agreement, will be the geographic area thereafter described in Exhibit A to the Franchise Agreement, and will become a part of the Franchise Agreement. You acknowledge and agree that, if we recommend or give you information regarding the Territory, or a site for the Premises, and if we approve a location, our advice, action, or information is not a representation or warranty of any kind, express or implied, of the location's suitability for an OrthoNOW® Center, or any other purpose. Our recommendation indicates only that we believe that the location meets our then-acceptable criteria. Applying criteria that have appeared effective with other locations and premises might not accurately reflect the potential for all locations and premises, and demographic and/or other factors included in or excluded from our criteria could change, altering the potential of a location and premises. The uncertainty and instability of these criteria are beyond our control, and we are not responsible if a location and premises we recommend or approve fail to meet your expectations. You acknowledge and agree that your acceptance of the Franchise is based on your own independent investigation of the Territory and the location. You acknowledge and agree that our location selection assistance is primarily for our benefit and not for your benefit.

6. ENTIRE AGREEMENT

This Addendum will be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein will have the same meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, each party hereto has caused its duly authorized representative to duly sign and deliver this Addendum on the date first above written.

SIGNATURES ON FOLLOWING PAGE

ORTHONOW, LLC, a Florida limited liability company

By: _____

_____

Print Name and Title

FRANCHISEE

_____

Name of Entity

By: _____

_____

Print Name and Title

EXHIBIT 1 to the SITE SELECTION ADDENDUM

LEASE RIDER

This Lease Rider is executed as of this date of _____, by and between _____ ("Tenant") and _____ ("Landlord") as a Rider to the lease dated _____ (as amended, renewed, and/or extended from time to time, the "Lease") for the Premises located at _____ ("Premises").

In the event of a conflict between the terms and conditions set forth within this Rider and the terms and conditions set forth in the Lease to which this Rider is attached, the terms and conditions set forth within this Rider shall govern and control.

1. **Permitted Use.** The Premises are leased to Tenant for the operation of a franchised OrthoNOW® center which offers orthopedic and sports medicine or recurring patient care services. Landlord covenants that from and after the date hereof, Landlord shall not permit any other tenant to operate a center, pharmacy, or practice in the same shopping center as the Premises which provides primarily orthopedic care services.

2. **Signage.** Notwithstanding anything contained within the Lease to the contrary, Tenant shall, subject to the requirements of local law, have the right to utilize its standard signage and other proprietary marks and identification on both the exterior and within the interior of the Premises as approved by ORTHONOW, LLC, a Florida limited liability company ("Franchisor").

3. **Assignment and Subletting.** Landlord's consent to an assignment of the Lease or subletting of the Premises shall not be required in connection with an assignment or subletting as a part of a merger, reorganization or sale of all or substantially all of Tenant's assets or business or an assignment or sublet to the Franchisor, any parent, subsidiary or affiliated corporation of Franchisor, or another OrthoNOW® franchisee.

4. **Notices; Opportunity to Cure.** Copies of any demand letters, default notices or other similar notices of non-compliance ("Notice") sent by Landlord to Tenant shall also be sent to Franchisor via overnight mail to the following address:

ORTHONOW, LLC
3650 NW 82nd Avenue
Suite 103
Doral, FL 33166

In the event Tenant fails to cure or otherwise remedy the subject matter of the Notice, and prior to exercising any remedies under the Lease, Landlord shall grant Franchisor the identical period of time in which to cure same (said cure period to commence immediately upon Notice from Landlord to Franchisor (at the address set forth herein) that Tenant has failed to cure in a timely manner) and Landlord agrees to accept the performance of Franchisor within said period of time as performance by Tenant pursuant to the terms of the Lease.

5. **Option to Lease.** Landlord hereby agrees that, in the event of the termination, expiration, or non-renewal of the Franchise Agreement by and between Tenant and Franchisor or Tenant's failure to exercise any extension option contained in the Lease, provided Franchisor cures any breach by Franchisee within fifteen (15) days' after receipt of written notice from

Landlord thereof, Franchisor shall have a thirty (30) day option to lease the Premises pursuant to the same terms and conditions as are contained in the Lease. Landlord agrees to promptly give Notice to Franchisor (at the address set forth herein) in the event the Lease is terminated as the result of a default by Tenant or in the event Tenant fails to exercise any remaining options to extend the term of the Lease. Nothing contained herein shall affect Landlord's right to recover any and all amounts due under the Lease from Tenant or to exercise any right of Landlord against Tenant as provided under the Lease.

6. **De-identification.** Landlord and Tenant hereby acknowledge that in the event the Franchise Agreement expires or is terminated, Tenant is obligated under the Franchise Agreement to take certain steps to de-identify the location as an OrthoNOW® franchise location operated by Tenant. Landlord agrees to cooperate fully with Franchisor in enforcing such provisions of the Franchise Agreement against Tenant, including allowing Franchisor, its employees and agents at any time during the term of the Lease or within ten (10) days after the termination or expiration thereof to enter and remove signs, decor and materials bearing or displaying any marks, designs or logos of Franchisor; provided, however, that Landlord shall not be required to bear any expense thereof.

7. **Assignment of Interest.** This Rider is binding and shall inure to the benefit of Landlord, Tenant, and Franchisor, their assigns, and successors-in-interest. The Franchisor is an intended beneficiary of this Rider, provided Franchisor shall have no liability for any of Tenant's obligations under the Lease. Franchisor signs below for the limited purpose of acknowledging and agreeing to the provisions of this Rider.

8. **Security Interest**. Any security interest and/or landlord's lien of Landlord in Tenant's trade fixtures, trade dress, signage, equipment and other personal property is hereby subordinated to any security interest and pledge granted to Franchisor in such items.

SIGNATURES FOLLOW ON NEXT PAGE

IN WITNESS WHEREOF, the parties hereto have executed this Rider the date and year first above written.

LANDLORD:	**TENANT:**
_____	_____
_____	_____
By: _____	By: _____
Its: _____	Its: _____

Agreed to:

FRANCHISOR:

ORTHONOW, LLC

By: _____

Name: _____

Title: _____

EXHIBIT C
TO THE FRANCHISE AGREEMENT

LISTING OF OWNERSHIP INTERESTS

Effective Date: This Exhibit C is current and complete as of _____

You and Your Owners

1. ENTITY (CORPORATION, LIMITED LIABILITY COMPANY, OR PARTNERSHIP)

Registered Name: _____

You were incorporated, organized or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and _____. The following is a list of your directors or managers, if applicable, and officers as of the effective date shown above:

Name of Each Director/Manager/Officer	Position(s) Held
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. OWNERS

The following list includes the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners (if an Entity), and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	Percentage/Description of Interest
(a)	_____	_____
(b)	_____	_____
(c)	_____	_____
(d)	_____	_____

3. IDENTIFICATION OF OPERATING OWNER

Your Operating Owner as of the Effective Date (must be one of the individuals listed in paragraph 2 above):

Name of Operating Owner: _____

You may not change the Operating Owner without our prior written approval.

ORTHONOW, LLC, a Florida limited liability company

_____

By: _____

_____

FRANCHISEE, _____

Name of Entity

By: _____

_____

Print Name and Title

Print Name and Title

EXHIBIT D
TO THE FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION FORM

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)
_____ (Name of Person or Legal Entity)
_____ (ID Number)

The undersigned depositor ("Depositor") ("Franchisee") hereby authorizes ORTHONOW, LLC ("Franchisor") to initiate debit entries and/or credit correction entries to the undersigned's checking and/or savings account(s) indicated below and the depository designated below ("Depository") ("Bank") to debit or credit such account(s) pursuant to Franchisor's instructions.

_____
Depository Branch

_____
City State Zip Code

_____
Bank Transit/ABA Number Account Number

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

_____
Depositor: Depository:

_____
By: By:

_____
Name: Name:

_____
Title: Title:

_____
Date: Date:

EXHIBIT E
TO THE FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (the "Guaranty") is given as of _____ by _____

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Agreement") on this date by ORTHONOW, LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the Initial Term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____, a _____ ("Franchisee") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of 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. This Guaranty to pay monetary obligations arising under the Agreement includes, but is not limited to Service Fees, other recurring or non-recurring fees, payments owed to us, any claims under the indemnification provisions of the Agreement (including, without limitation, Section 16.4), and any judgments or claims that are reduced to monetary claim.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchisee and among other guarantors; (2) he or she 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 our 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 we 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 (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the Initial Term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Franchisee or its owners, and for so long as we have any cause of action against Franchisee or its owners; and (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Franchisee, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; provided, however, that in the event of a complete and total transfer of all assets and ownership interests in Franchisee and in the Franchised Business, such that a Guarantor has no ownership interest in Franchisee on the Franchised Business ("Transfer"), this Guaranty shall terminate as of the date of the Transfer with respect to any obligations that arise as of or after the Transfer.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchisee arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her 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.

If we are required to enforce this Guaranty in a judicial proceeding, and prevail in such proceeding, we shall be entitled to reimbursement of our costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys assistants', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

Each of the undersigned agrees that all actions arising under this Guaranty or the Agreement, or otherwise as a result of the relationship between us and the undersigned, must be commenced in a state or federal court of competent jurisdiction in the state or judicial district in which we have our principal place of business at the time the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that we may enforce this Guaranty and judgment orders in the courts of the state or states in which he or she is domiciled. In all events, the laws of the State of Florida shall apply to the construction, interpretation and enforcement of this Guaranty.

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was signed.

GUARANTOR(S)	**PERCENTAGE OF OWNERSHIP IN FRANCHISEE**
X_____	_____%
_____ Print Name and Title	
X_____	_____%
_____ Print Name and Title	
X_____	_____%
_____ Print Name and Title	
X_____	_____%
_____ Print Name and Title	

EXHIBIT F

TO THE FRANCHISE AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

BUSINESS ASSOCIATE AGREEMENT (the "Agreement") is made and entered into as of the most recent date set forth below the signatures at the end of this Agreement (the "Effective Date") by and between _____, a _____ _____, and its successors and assigns (the "Covered Entity") and ORTHONOW, LLC, a Florida limited liability company (the "Business Associate").

WHEREAS, Covered Entity is subject to the Privacy Rule, 45 C.F.R. Parts 160 and 164, promulgated by the United States Department of Health and Human Services pursuant to the Health Insurance Portability and Accountability Act ("HIPAA"), Public Law 104-191; and

WHEREAS, Business Associate provides services to Covered Entity pursuant to an engagement agreement for legal services; and

WHEREAS, in order for Business Associate to competently exercise its obligations under such engagement agreement for legal services, Business Associate may come into contact with, use, or disclose protected health information received from Covered Entity; and

WHEREAS, in compliance with HIPAA, both Covered Entity and Business Associate wish to establish satisfactory assurances that Business Associate will appropriately maintain and safeguard any protected health information it may receive from Covered Entity.

NOW, THEREFORE, for and in consideration of the premises and other valuable consideration, the receipt and adequacy of which are acknowledged by the parties hereto, the mutual covenants and agreements herein set forth, the parties hereto, intending to be legally bound, hereby agree as follows:

I. DEFINITIONS

A. Catch-all definition: The following terms used in this Agreement shall have the same meaning as those terms in the HIPAA Rules: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Individual, Minimum Necessary, Notice of Privacy Practices, Protected Health Information ("PHI"), Required By Law, Secretary, Security Incident, Subcontractor, Unsecured PHI, and Use.

B. Specific definitions:

(a) Business Associate. "Business Associate" shall generally have the same meaning as the term "Business Associate" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean ORTHONOW, LLC.

(b) Covered Entity. "Covered Entity" shall generally have the same meaning as the term "Covered Entity" at 45 CFR 160.103, and in reference to the party to this agreement, shall mean _____.

(c) **HIPAA Rules**. "HIPAA Rules" shall mean the Privacy, Security, Breach Notification, and Enforcement Rules at 45 CFR Part 160 and Part 164.

II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

A. Business Associate agrees to:

(a) Not use or disclose PHI other than as permitted or required by the Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI, to prevent use or disclosure of PHI other than as provided for by the Agreement;

(c) Report to Covered Entity any use or disclosure of PHI not provided for by the Agreement of which it becomes aware, including breaches of unsecured PHI as required at 45 CFR 164.410, and any security incident of which it becomes aware;

(d) In accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of the Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

(e) Make available PHI in a designated record set to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524;

(f) Make any amendment(s) to PHI in a designated record set as directed or agreed to by the Covered Entity pursuant to 45 CFR 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 CFR 164.526;

(g) Maintain and make available the information required to provide an accounting of disclosures to the Covered Entity as necessary to satisfy Covered Entity's obligations under 45 CFR 164.528;

(h) To the extent the Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, comply with the requirements of Subpart E that apply to the Covered Entity in the performance of such obligation(s); and

(i) Make its internal practices, books, and records available to the Secretary for purposes of determining compliance with the HIPAA Rules.

III. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

A. Business Associate may only use or disclose PHI as appropriate in its legal representation of Covered Entity and its employed physicians as directed by Covered Entity.

B. Business Associate may use or disclose PHI as required by law.

C. Business Associate agrees to make uses and disclosures and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures.

D. Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity, except for the specific uses and disclosures set forth below.

E. Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.

F. Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information will remain confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

G. If appropriate, Business Associate may provide data aggregation services relating to the health care operations of the Covered Entity.

IV. PROVISIONS FOR COVERED ENTITY TO INFORM BUSINESS ASSOCIATE OF PRIVACY PRACTICES AND RESTRICTIONS

A. Covered Entity shall notify Business Associate of any limitation(s) in the notice of privacy practices of Covered Entity under 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI.

B. Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

C. Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

V. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity. Provided, however, that Business Associate will use or disclose PHI for data aggregation or management and administration and legal responsibilities of the Business Associate.

VI. TERM AND TERMINATION

A. Term. The Term of this Agreement shall be effective as of the Effective Date, and shall continue in effect for one (1) year if not terminated earlier for cause as authorized in paragraph (b) of this Section, whichever is sooner.

B. Termination for Cause. Business Associate authorizes termination of this Agreement by Covered Entity, if Covered Entity determines Business Associate has violated a material term of the Agreement and Business Associate has not cured the breach or ended the violation within the time specified by Covered Entity. Covered Entity shall allow Business

Associate fifteen (15) days to cure a violation or breach of this Agreement before termination for cause.

C. Obligations of Business Associate Upon Termination. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall:

(a) Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;

(b) Return to Covered Entity [or, if agreed to by Covered Entity, destroy] the remaining PHI that the Business Associate still maintains in any form;

(c) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;

(d) Not use or disclose the PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set out in Sections III(E) and III(F) above which applied prior to termination; and

(e) Return to Covered Entity or, if agreed to by Covered Entity, destroy, the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

D. Survival. The obligations of Business Associate under this Section shall survive the termination of this Agreement.

VII. MISCELLANEOUS

A. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules means the section as in effect or as amended.

B. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for compliance with the requirements of the HIPAA Rules and any other applicable law.

C. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

D. Authority. The undersigned have the authority to enter into this Agreement. Moreover, the parties represent and warrant, as a material condition precedent to their obligations hereunder, that they are not violating the terms of any agreement, written or oral, by entering into this Agreement.

E. Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been received by the person to whom it is addressed when delivered if delivered in person or three (3) days after it is deposited in the United States mail, if mailed by certified or registered mail to the party's last known address or to such other person and address as either party may designate in writing.

IN WITNESS WHEREOF, the parties hereto have signed this Agreement as of the day and year first above written.

COVERED ENTITY	BUSINESS ASSOCIATE
_____	ORTHONOW, LLC
By: _____	By: _____
_____	_____
Print Name and Title	Print Name and Title
Dated: _____	Dated: _____

APPENDIX 1

SBA ADDENDUM

SOP 50-10 5(j) Appendix 9

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20__, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title:

Authorized Representative of FRANCHISEE:

By:

Print Name: _____
Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

EXHIBIT D – STATE ADDENDA TO AREA REPRESENTATIVE AGREEMENT

CALIFORNIA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This California Addendum to Area Representative Agreement is signed on _____ between Ortho NOW, LLC ("we," "us" or "our") and_____ ("you" or "your") to amend the Area Representative Agreement as follows:

1. **California Law**

The California Department of Business Oversight requires that certain provisions contained in the Area Representative Agreement be amended to be consistent with California law, including the California Franchise Investment Law. CAL. BUS. & PROF. CODE Section 31000 *et seq.* and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 *et seq.* To the extent that the Area Representative Agreement contains provisions that are inconsistent with the following, those provisions are amended as follows:

(a) **Nonrenewal and Termination**

California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination or nonrenewal of an Area Representative Agreement. The Federal Bankruptcy Code also provides rights to you concerning termination of the Area Representative Agreement upon the occurrence of certain bankruptcy-related events. If the Area Representative Agreement contains a provision that is inconsistent with these laws, these laws will control.

(b) **General Releases**

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

(c) **Venue**

If the Area Representative Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.

(d) **Governing Law**

If the Area Representative Agreement requires that it be governed by a state's law other than the State of California, the requirement may be unenforceable.

(e) **Arbitration**

The Area Representative Agreement requires binding arbitration. The arbitration will occur in Lee County, Florida with the costs being born by the non-prevailing party. Prospective area representatives are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (including Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal

Arbitration Act) to any provisions of an area representative agreement restricting venue to a forum outside the State of California.

IN WITNESS WHEREOF, the parties have signed and delivered this Addendum on the day and year first written.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

ILLINOIS ADDENDUM TO THE AREA REPRESENTATIVE AGREEMENT

This Addendum to the Area Representative Agreement is agreed to on _____ between Ortho NOW, LLC ("we," "us" or "our") and_____ ("you" or "your").

The Illinois Attorney's General's Office requires that certain provisions contained in the Area Representative Agreement be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Comp. Stat. Ch. 815 ¶¶ 705/1 - 705/44 (1994) (the "Act"). To the extent that the Area Representative Agreement contains provisions that are inconsistent with the Act, such provisions are hereby amended:

1. 815 ILCS 705/19 and 705/20 provides rights to you concerning nonrenewal and termination of the Area Representative Agreement. If this provision contains a provision that is inconsistent with the Act, the Act will control.

2. 815 ILCS 705/41 provides that any condition, stipulation, or provision purporting to bind any person acquiring area representative rights to waive compliance with any provision of the Act or any other law of this State is void.

3. If you are required to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, the release will exclude claims arising under the Act, and such acknowledgments are void with respect to claims under the Act and are deleted.

4. Section 11.3, **Jurisdiction and Venue**, is amended to add the following paragraph:

> Section 4 of the Illinois Franchise Disclosure Act dictates that any provision in a franchise agreement that designates jurisdiction or venue in a forum outside of this State is void with respect to any cause of action that otherwise is enforceable in this State, provided that a franchise agreement may provide for arbitration in a forum outside of this State.

5. Section 11.3, **Governing Law**, is amended to add the following paragraph:

> Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.* or the United States Arbitration Act, 9 U.S.C. §§ 1 *et seq.*), this Agreement and any other agreement between the parties and all transactions contemplated by the Area Representative Agreement are governed by, and construed and enforced in accordance with the laws of the State of Illinois.

6. This Amendment is effective only to the extent that the jurisdictional requirements of the Act are met independent of this Amendment. This Amendment has no force and effect if the jurisdictional requirements are not met.

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

MARYLAND ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to Area Representative Agreement is agreed to on _____ between Ortho NOW, LLC ("we," "us," or "our") and _____ ("you" or "your") to amend the Area Representative Agreement as follows:

1. Subsection 9.2(a)(v), **RENEWAL**, is amended to provide that the general release does not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

1. Section 11.3, **JURISDICTION AND VENUE**, is amended to add the following paragraph:

   A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Section 11.3, **Governing Law**, is amended to add the following sentence:

   Any claims under the Maryland Franchise Registration and Disclosure Law may be brought in Maryland within 3 years after the grant of the franchise.

3. The Area Representative Agreement is amended to add the following sentence:

   All representations requiring prospective area representatives 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.

4. The Area Representative Agreement is amended to add the following sentence:

   The Area Representative Agreement is amended to defer the payment of all initial fees due to the Franchisor and/or its affiliates until all the pre-opening obligations of the Franchisor are completed and the franchise is open for business.

6. An Area Representative may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law may be brought in Maryland within 3 years after the grant of the franchise.

7. This Area Representative Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

MINNESOTA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to Area Representative Agreement is signed on _____ between Ortho NOW, LLC ("us" 'we" and "our") and _____ ("you" or "your") to amend the Area Representative Agreement as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in the Area Representative Agreement be amended to be consistent with the Minnesota Franchise Act, Minn. Stat. §§ 80.01 *et seq.*,(the "Minnesota Franchise Act") and of the Rules and Regulations promulgated under the Minnesota Franchise Act. To the extent that the Area Representative Agreement contains provisions that are inconsistent with the following, the provisions are amended:

(a) **Trademark Indemnification**

The Minnesota Department of Commerce requires that we indemnify you against liability to third parties from claims by third parties that your use of our trademark infringes trademark rights of the third party. We do not indemnify against the consequences of your use of our trademark except in accordance with the requirements of the Area Representative Agreement, and you must provide us notice of any claim within 10 days and tender the defense of the claim to us. If we accept the tender of defense, we have the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.

(b) **Governing Law, Jurisdiction and Venue, and Choice of Forum**

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400(J) prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or the Area Representative Agreement or any other agreement between the parties can abrogate or reduce any of your rights as provided in Minnesota Statutes, chapter 80C, or the Area Representative's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(c) **Termination and Non-Renewal; Transfer**

With respect to area representative rights governed by Minnesota Law, we will comply with Minnesota Statutes, Section 80C.14, Subsections 3, 4 and 5, which require (except in certain specified cases) that you be given 90 days' written notice of termination (with 60 days to cure) and 180 days' written notice of non-renewal of the Area Representative Agreement; and that consent to the transfer of the Area Representative Rights will not be unreasonably withheld.

(d) **General Release**

Minnesota Rule 2860.4400(D) prohibits a franchisor from requiring an area representative to assent to a general release.

(e) **Limitation of Actions**

No action may be commenced under Minnesota Statutes, Section 80C.17, Subd. 5 more than 3 years after the cause of action accrues.

(f) **Injunctive Relief**

Minnesota Rule 2860.4400J provides that you cannot waive any rights. You cannot consent to us obtaining injunctive relief. We may seek injunctive relief.

2. Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment has no force or effect if the jurisdictional requirements are not independently met.

In witness whereof, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

NEW YORK ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to Area Representative Agreement is agreed to on _____ between Ortho NOW, LLC ("we" "us" or "our") and _____ ("you" or "your") to amend the Area Representative Agreement as follows:

1. **New York Law Modifications**

The New York Department of Law requires that certain provisions contained in the Area Representative Agreement be amended to be consistent with New York law, including the General Business Law, Article 33, Sections 680 through 695 (1989). To the extent that the Area Representative Agreement contains provisions that are inconsistent with the following provisions those provisions are amended as follows:

(a) **Release of Claims.** If you are required in the Area Representative Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, representation or action that would violate the General Business Law, regulation, rule or order under the Law, the release must exclude claims arising under the New York General Business Law, Article 33, Sections 680 through 695 and its regulations, and any acknowledgments are void. It is the intent of this provision that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law be satisfied.

(b) **Governing Law.** If the Area Representative Agreement requires that it be governed by a state's law other than the State of New York, the choice of law provision will not be considered to waive any rights conferred upon the Franchisee under the New York General Business Law, Article 33, Sections 680 through 695.

2. **Jurisdictional Requirements**

Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the New York law applicable to the provision are met independent of this Amendment. This Amendment has no force or effect if the jurisdictional requirements are not independently met.

IN WITNESS WHEREOF, the parties have signed and delivered this Amendment on the day and year first written.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

NORTH DAKOTA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to Area Representative Agreement is signed on _____ between Ortho NOW, LLC ("we" "us" or "our") and _____ ("you" or "your").

1. The North Dakota Securities Commissioner requires that certain provisions contained in franchise documents be amended to be consistent with North Dakota law, including the North Dakota Franchise Investment Law, North Dakota Century Code Annotated Chapter 51-19, Sections 51-19-01 through 51-19-17 (1993). To the extent that the Area Representative Agreement contains provisions that are inconsistent with the following provisions are amended:

(a) If you are required in the Area Representative Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Law, or a rule or order under the Law, the release excludes claims arising under the North Dakota Franchise Investment Law, and any acknowledgments are void as to claims under the Law.

(b) If the Area Representative Agreement requires litigation to be conducted in a forum other than the State of North Dakota, the requirement is void as to any claims under the North Dakota Franchise Investment Law.

(c) If the Area Representative Agreement requires that it be governed by a state's law, other than the State of North Dakota, to the extent that the law conflicts with the North Dakota Franchise Investment Law, the North Dakota Law will control.

(d) If the Area Representative Agreement requires mediation or arbitration to be conducted in a forum other than the State of North Dakota, the requirement may be unenforceable under the North Dakota Franchise Investment Law. Arbitration involving a franchise purchased in the State of North Dakota must be held either in a location mutually agreed upon before the arbitration or if the parties cannot agree on a location, the arbitrator will determine the location.

(e) If the Area Representative Agreement requires payment of a termination penalty, the requirement may be unenforceable under the North Dakota Franchise Investment Law.

(f) Any provision in the Area Representative Agreement which requires you to consent to a waiver of exemplary and punitive damages will not apply to any claims brought under the under the North Dakota Franchise Investment Law.

2. Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the North Dakota Franchise Investment Law as to each provision are met independent of this Addendum. A provision has no force or effect if the jurisdictional requirements are not met independent of this Addendum. If this Addendum is inconsistent with any terms of the Area Representative Agreement, the terms of this Addendum govern.

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

RHODE ISLAND ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to the Area Representative Agreement is agreed to on _____ between Ortho NOW, LLC ("we" "us" or "our") and _____ ("you" or "your").

1. The Rhode Island Securities Division requires that certain provisions contained in the Area Representative Agreement be amended to be consistent with Rhode Island law, including the Franchise Investment Act, R. I. Gen. Law Ch. 395 Sec. 19-28.1-1 to 19-28.1-34 (the "Act"). To the extent that the Area Representative Agreement contains provisions that are inconsistent with the Act, the provisions are amended:

(a) **Venue**

If the Area Representative Agreement requires litigation or arbitration be conducted in a forum other than the State of Rhode Island, the requirement is void under the Act.

(b) **Governing Law**

If the Area Representative Agreement requires that it be governed by a state's law, other than the State of Rhode Island, to the extent that this law conflicts with the Act, the Act will control.

(c) **Release of Claims**

If you are required in the Area Representative Agreement to sign a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act, the release exclude claims arising under the Act, and the acknowledgments are void as to claims under the Act.

2. Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Acts applicable to the provision are met independent of this Amendment. This Amendment has no force or effect if the jurisdictional requirements are not independently met.

In witness whereof, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound by all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

VIRGINIA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to Area Representative Agreement is signed on _____ between Ortho NOW, LLC ("we" "us" or "our") and _____ ("you" or "your") to amend the Area Representative Agreement as follows:

1. Section 11.3 is amended to read as follows:

> Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. §§ 1051 *et seq.*), the Area Representative Agreement and any other agreement involving the Area Representative Agreement and all transactions contemplated by the Area Representative Agreement and any other agreement involving the Area Representative Agreement will be governed by, and construed and enforced in accordance with the Virginia Retail Franchising Act, without giving effect to its choice of law or conflicts of law.

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum, understands and consents to be bound all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

WASHINGTON ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

This Addendum to Area Representative Agreement is signed on _____ between Ortho NOW, LLC ("we" "us" or "our") and _____ ("you" or "your") to amend the Area Representative Agreement as follows:

1. The State of Washington has a statute, RCW 19.100.180, which may supersede the Area Representative Agreement in your relationship with us including the areas of termination and renewal rights of your area representative rights. There may also be court decisions that may supersede the Area Representative Agreement in your relationship with us including the areas of termination and renewal by us.

2. In any arbitration involving area representative rights purchased in Washington, the arbitration site must be either in the State of Washington, or in a place mutually agreed upon when the dispute arises, or as determined by the arbitrator.

3. Upon a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW prevails.

4. A release or waiver of rights you sign will not include rights under the Washington Franchise Investment Protection Act except when signed as part of a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions that unreasonably restrict or limit the statute of limitations period for claims under the Act including the right to a jury trial may not be enforceable.

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

IN WITNESS WHEREOF, each of the undersigned acknowledges having read this Addendum understands and consents to be bound by all of its terms.

WE, US, or OUR:

OrthoNOW, LLC

By: _____
Alejandro Badia, M.D., President

YOU or YOUR:

_____

EXHIBIT E – GUARANTY OF AREA REPRESENTATIVE'S OBLIGATIONS

GUARANTY OF AREA REPRESENTATIVE'S OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS ("GUARANTY") IS GIVEN AS OF _____, by _____ (the "Guarantor" or collectively the "Guarantors").

In consideration of, and as an inducement to, the execution of that certain Area Representative Agreement of even date (the "Agreement") by OrthoNOW, LLC (the "Franchisor"), and _____ ("Area Representative"), each of the undersigned hereby personally and unconditionally (a) guarantees to Franchisor, and its successor and assigns, for the term of the Agreement and as provided in the Agreement, that Area Representative shall 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.

Each of the undersigned waives: (1) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (2) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (4) any right he or she may have to require that an action be brought against Area Representative or any other person as a condition of liability. Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty shall be joint and several; (2) he or she shall render any payment or performance required under the Agreement upon demand if Area Representative fails or refuses punctually to do so; (3) liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Area Representative or any other person; (4) liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may grant to Area Representative or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Agreement; and (5) Guarantor is bound by the restrictive covenants, confidentiality provisions, and indemnification provisions contained in the Agreement.

Each of the undersigned 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.

Guarantor hereby consents and agrees that:

(a) Guarantor's liability under this undertaking shall be direct, immediate, and independent of the liability of, and shall be joint and several with, Area Representative and the other owners of Area Representative;

(b) Guarantor shall render any payment or performance required under the Agreement upon demand if Area Representative fails or refuses punctually to do so;

(c) This undertaking will continue unchanged by the occurrence of any bankruptcy with respect to Area Representative or any assignee or successor of Area Representative or by any abandonment of the Agreement by a trustee of Area Representative. Neither the Guarantor's obligations to make payment or render performance in accordance with the terms of this undertaking nor any remedy for enforcement shall be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation

of the liability of Area Representative or its estate in bankruptcy or of any remedy for enforcement, resulting from the operation of any present or future provision of the U.S. Bankruptcy Act or other statute, or from the decision of any court or agency;

(d) Franchisor may proceed against Guarantor and Area Representative jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action, or having obtained any judgment against Area Representative. Guarantor hereby waives the defense of the statute of limitations in any action hereunder or for the collection of any indebtedness or the performance of any obligation hereby guaranteed; and

(e) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

Guarantor agrees to be personally bound by the arbitration obligations under Section 11.3 of the Agreement, including, without limitation, the obligation to submit to binding arbitration the claims described in Section 11.3 of the Agreement in accordance with its terms. All terms not defined herein shall have the definition set forth in the Agreement.

IN WITNESS WHEREOF, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

GUARANTOR(S):

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Area Representative/Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Area Representative/Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Area Representative/Spouse: _____

Signature: _____
Print Name: _____
Date: _____
Percentage Ownership in Area Representative/Spouse: _____

EXHIBIT F – AREA REPRESENTATIVE CLOSING QUESTIONNAIRE

OrthoNOW®
We keep you moving.®

AREA REPRESENTATIVE CLOSING QUESTIONNAIRE

As you know, OrthoNOW, LLC, a Florida limited liability company ("we" "us" or "our") and _____ ("you or "your") are preparing to enter into an OrthoNOW Area Representative Agreement (the "Agreement) for the establishment and operation of an OrthoNOW Area Representative Business (the "AR Business"). The purpose of this Questionnaire is to determine whether any person made statements or promises to you that we have not authorized, that are not contained in our Franchise Disclosure Document and Exhibits (the "FDD") including the Agreement, and that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question. 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 or any other state franchise laws.

3. Have you received and personally reviewed the FDD provided to you?

Yes ☐ No ☐

4. Did you sign a receipt for the FDD indicating the date you received it?

Yes ☐ No ☐

5. Have you had the FDD for at least 14 days?

Yes ☐ No ☐

6. Do you understand all of the information contained in the Franchise Disclosure Document and any state-specific Addendum to the FDD?

Yes ☐ No ☐

7. If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, if necessary.)

_____

_____

8. Have you discussed the benefits and risks of establishing and operating an OrthoNOW AR Business with an attorney, accountant, or other professional advisor?

Yes ☐ No ☐

9. If yes, please identify and provide name, address and phone number.

_____

_____

_____

10. Do you understand that the success or failure of your OrthoNOW AR Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms and other economic and business factors?

Yes ☐ No ☐

11. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits or operating costs of an AR Business?

Yes ☐ No ☐

12. Has any employee or other person speaking on our behalf made any statement or promise regarding the amount of money you may earn in operating the OrthoNOW AR Business?

Yes ☐ No ☐

13. Has any employee or other person speaking on behalf of the Franchisor made any statements or promise concerning the total amount of revenue the AR Business will generate?

Yes ☐ No ☐

14. Has any employee or other person speaking on our behalf made any statement or promise regarding the costs you may incur in operating the AR Business?

Yes ☐ No ☐

15. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating an AR Business?

Yes ☐ No ☐

16. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service or assistance that we will furnish to you that is contrary to, or different from, the information contained in the FDD?

Yes ☐ No ☐

17. Have you entered into any binding agreement with us concerning the purchase of an AR Business before today?

Yes ☐ No ☐

18. Have you paid any money to us concerning the purchase of the AR Business before today?

Yes ☐ No ☐

19. If you have answered "Yes" to any one of questions 11-18, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below) If you have answered "no" to each of questions 11-18, please leave the following lines blank. _____

_____

_____

_____

20. Have you received the completed Area Representative Agreement, all exhibits thereto and all other agreements you are to sign for at least 7 days?

Yes ☐ No ☐

21. Do you understand all of the information contained in the Agreement and each exhibit attached to it?

Yes ☐ No ☐

22. If no, what part of the Agreement do you not understand? (Attach additional pages if necessary.)

_____

_____

_____

23. I signed the OrthoNOW Area Representative Agreement and related documents on _____, and understand and acknowledge that none of these agreements is effective until they are signed and dated by the President or COO of OrthoNOW Franchising, LLC. Please understand that your responses to these questions are important to us and that we will rely on them. By signing the Questionnaire, you are representing that you have responded truthfully to the above questions.

Dated: _____

APPLICANT

_____

EXHIBIT G – LIST OF AREA REPRESENTATIVES

(a) **Operational Area Representatives.** The following are the names, addresses and telephone numbers of the 1 Area Representatives in the United States as of December 31, 2017 who are operational:

NONE

(b) **Franchises Area Representatives But Not Yet Operational.** The following are the names, addresses and telephone numbers of the 1 Area Representatives in the United States as of December 31, 2017 who are not yet operational but have signed an Area Representative Agreement:

MakMedical, LLC (Kelly Olin)
568 Springview Drive
Rochester, MI 48307
248-703-4024

(c) **Former Area Representatives.** No Area Representatives have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under an Area Representative Agreement during the most recently completed fiscal year (since January 1, 2018) or have not communicated with us within 10 weeks of the effective date of this Franchise Disclosure Document.

NONE

(d) **Transferred Area Representative Rights.** The following are the names, last known home addresses and home telephone numbers of the -0- Area Representatives in the United States that have sold their Area Representative Rights to another during the most recently completed fiscal year (since January 1, 2018) and until the effective date of this Franchise Disclosure Document:

NONE

EXHIBIT I – GENERAL RELEASE

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We keep you moving.®

GENERAL RELEASE

_____ ("you" or "your""), for and in consideration of the consent of OrthoNOW, LLC, a Florida limited liability company ("we," "us" or "our") to: (check one):

☐ the signing by you and us of a renewal OrthoNOW Area Representative Agreement and related renewal documents granting you the right to continue to act as our Area Representative (the "AR Business") granted to you by us pursuant to that certain OrthoNOW Area Representative Agreement dated _____ (the "Area Representative Agreement").

☐ your sale of the assets comprising the AR Business to an approved transferee and the transferee's signing our then-current form of OrthoNOW Area Representative Agreement and Area Representative Agreement with us.

do release and forever discharge, and by this document for you and your personal representatives and your heirs, release and forever discharge us, our subsidiaries and affiliates, and their respective officers, directors, shareholders, managers, members, partners, employees, servants, representatives and agents, in their corporate and individual capacities, including::

(a) claims arising under the OrthoNOW Area Representative Agreement and any other agreement between you and us or our subsidiaries or affiliates,

(b) claims under federal, state and local laws, rules and ordinances: and

(c) claims of and from any and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, contracts, controversies, agreements, claims and demands whatsoever, in law or in equity that you, your personal representatives or heirs, have had, nor have or which you, your heirs, personal representatives hereinafter can, will or may have, for, upon or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the date of this Release (collectively "Claims").

This Release extends and applies to and also covers and includes all unknown, unforeseen, or unanticipated and unsuspected injuries, damages, loss or liability, and the consequences therefrom as well as those now disclosed and known to exist. The provisions of any federal, state or local law or statute, providing in substance that releases will not extend to claims, demands, injuries or damages, loss or liability, which are unknown or unsuspected to exist at the time, to the persons signing the releases, are expressly waived. This Release expressly excludes claims arising from representations in our Franchise Disclosure Document or its Exhibits. In addition, this release does not act as a release of any liability incurred under applicable state franchise laws including the Maryland Franchise Registration and Disclosure Law provided the laws jurisdictional limits are satisfied.

You represent and warrant to us that you have not assigned or otherwise transferred any of the Claims or any portion of the Claims. This Release extends and applies to, and also covers any and all persons from whom we may be deliberatively liable.

You will not represent yourself, directly or indirectly, as our employee, officer, agent, or representative to any person, corporation, partnership or any other entity.

WITNESS MY HAND AND SEAL on _____.

_____

EXHIBIT J– TABLE OF CONTENTS OF POLICY AND PROCEDURES MANUAL

OrthoNOW® Policy & Procedure Manual

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ACH/EFT TRANSFER AGREEMENT

OrthoNOW®
We keep you moving.

AUTHORIZATION TO HONOR CHECKS AND DEBITS BY AND PAYABLE TO THE FOLLOWING PAYEE(S):

1. (CHECK EACH APPLICABLE BOX)

	BANK NAME	ACCOUNT#	ABA#
___ **ORTHONOW, LLC**	_____	_____	_____
___ **OTHER**	_____	_____	_____
___ **OTHER**	_____	_____	_____

2. Bank Account in Name of: _____

ATTACH ONE VOIDED CHECK FOR THE ABOVE ACCOUNT TO THIS SHEET

3. Center Location: _____ Center # _____

4. For Information Call: _____

Address: _____

Phone #: _____

Fax #: _____

TO THE BANK DESIGNATED:
You are hereby requested and authorized to honor and to charge to the foregoing account, checks and electronic debits (collectively, "debits") drawn on such account which are payable to any of the above named Payees. It is agreed that rights with respect to each such debit shall be the same as if it bore a signature authorized for such account. It is further agreed that if any such debit is not honored, whether with or without cause, you shall be under no liability whatsoever. This authorization shall continue in force until revocation in writing is received by you.

5. DATE: ___/___/___

6. _____
Name of Franchisee/Payor (please print)

7. By:_____

SIGNATURE AND TITLE OF AUTHORIZED REPRESENTATIVE

INDEMNIFICATION AGREEMENT

To the above named Payee and the Bank Designated:
The Payor agrees with respect to any action taken pursuant above authorization:

1. To indemnify the Bank and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Bank in the regular course of business for the purpose of payment, including any costs or expenses reasonably in collection therewith.

2. To indemnify Payee and the Bank for any loss arising in the event that any such debit shall be dishonored, whether with or without cause and whether intentionally or inadvertently.

3. To defend at our own cost and expense any action which might be brought by any depositor or any other persons because of any actions taken by the Bank of Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Bank's or Payee's participation therein.

BE SURE THAT ALL INFORMATION ASKED FOR IS PROVIDED

EXHIBIT L – SBA ADDENDUM

ADDENDUM TO FRANCHISE[1] AGREEMENT

THIS ADDENDUM ("Addendum") is made and entered into on _____, 20__, by and between _____ ("Franchisor"), located at _____, and _____ ("Franchisee"), located at _____.

Franchisor and Franchisee entered into a Franchise Agreement on _____, 20__, (such Agreement, together with any amendments, the "Franchise Agreement"). Franchisee is applying for financing(s) from a lender in which funding is provided with the assistance of the U. S. Small Business Administration ("SBA"). SBA requires the execution of this Addendum as a condition for obtaining SBA-assisted financing.

In consideration of the mutual promises below and for good and valuable consideration, the receipt and sufficiency of which the parties acknowledge, the parties agree that notwithstanding any other terms in the Franchise Agreement or any other document Franchisor requires Franchisee to sign:

CHANGE OF OWNERSHIP

- If Franchisee is proposing to transfer a partial interest in Franchisee and Franchisor has an option to purchase or a right of first refusal with respect to that partial interest, Franchisor may exercise such option or right only if the proposed transferee is not a current owner or family member of a current owner of Franchisee. If the Franchisor's consent is required for any transfer (full or partial), Franchisor will not unreasonably withhold such consent. In the event of an approved transfer of the franchise interest or any portion thereof, the transferor will not be liable for the actions of the transferee franchisee.

FORCED SALE OF ASSETS

- If Franchisor has the option to purchase the business personal assets upon default or termination of the Franchise Agreement and the parties are unable to agree on the value of the assets, the value will be determined by an appraiser chosen by both parties. If the Franchisee owns the real estate where the franchise location is operating, Franchisee will not be required to sell the real estate upon default or termination, but Franchisee may be required to lease the real estate for the remainder of the franchise term (excluding additional

[1] While relationships established under license, jobber, dealer and similar agreements are not generally described as "franchise" relationships, if such relationships meet the Federal Trade Commission's (FTC's) definition of a franchise (see 16 CFR § 436), they are treated by SBA as franchise relationships for franchise affiliation determinations per 13 CFR § 121.301(f)(5).

renewals) for fair market value.

COVENANTS

- If the Franchisee owns the real estate where the franchise location is operating, Franchisor has not and will not during the term of the Franchise Agreement record against the real estate any restrictions on the use of the property, including any restrictive covenants, branding covenants or environmental use restrictions. If any such restrictions are currently recorded against the Franchisee's real estate, they must be removed in order for the Franchisee to obtain SBA-assisted financing.

EMPLOYMENT

- Franchisor will not directly control (hire, fire or schedule) Franchisee's employees. For temporary personnel franchises, the temporary employees will be employed by the Franchisee not the Franchisor.

As to the referenced Franchise Agreement, this Addendum automatically terminates when SBA no longer has any interest in any SBA-assisted financing provided to the Franchisee.

Except as amended by this Addendum, the Franchise Agreement remains in full force and effect according to its terms.

Franchisor and Franchisee acknowledge that submission of false information to SBA, or the withholding of material information from SBA, can result in criminal prosecution under 18 U.S.C. 1001 and other provisions, including liability for treble damages under the False Claims Act, 31 U.S.C. §§ 3729 -3733.

Authorized Representative of FRANCHISOR:

By: _____

Print Name: _____

Title:

Authorized Representative of FRANCHISEE:

By:

Print Name: _____
Title: _____

Note to Parties: This Addendum only addresses "affiliation" between the Franchisor and Franchisee. Additionally, the applicant Franchisee and the franchise system must meet all SBA eligibility requirements

EXHIBIT M TO FRANCHISE DISCLOSURE DOCUMENT - RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Area Representative Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If OrthoNOW, LLC offers you Area Development Rights, we must provide this Franchise Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale or grant. New York and Rhode Island require that we give you this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the Area Representative Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Franchise Disclosure Document at least 10 business days before the execution of any binding Area Representative Agreement or other agreement or the payment of any consideration, whichever occurs first.

If OrthoNOW, LLC does not deliver this Franchise 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 state agency listed on Exhibit B.

The franchisor is OrthoNOW, LLC, located at 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166. Its telephone number is (305) 537-7272.

The issuance date of this Franchise Disclosure Document is March 28, 2018.

The franchise seller for this offering is (check one):

☐	☐	☐	☐
Christine Dura 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166, (305) 537-7272	_____ _____ _____ _____	_____ _____ _____ _____	_____ _____ _____ _____

The name and address of the franchisor's registered agent authorized to receive service of process is listed in Exhibit B.

I received this Franchise Disclosure Document dated March 28, 2018, that included the following Exhibits:

A - State Addenda to FDD, B – List of State Administrators and our Agents for Service of Process, C - Area Representative Agreement, D – State Addenda to Agreement, E – Guaranty of Obligations, F – AR Closing Questionnaire, G – List of Area Representatives, H – Financial Statements, I - General Release, J - Table of Contents, K – ACH/EFT Agreement, L --SBA Addendum, M - Receipt

Prospective Franchisee:

Sign _____ Dated: _____

Print _____

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Area Representative Agreement and other information in plain language. Read this Franchise Disclosure Document and all agreements carefully.

If OrthoNOW, LLC offers you Area Development Rights, we must provide this Franchise Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale or grant. New York and Rhode Island require that we give you this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the Area Representative Agreement or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this Franchise Disclosure Document at least 10 business days before the execution of any binding Area Representative Agreement or other agreement or the payment of any consideration, whichever occurs first.

If OrthoNOW, LLC does not deliver this Franchise 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 state agency listed on Exhibit B.

The franchisor is OrthoNOW, LLC, located at 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166. Its telephone number is (305) 537-7272.

The issuance date of this Franchise Disclosure Document is March 28, 2018.

The franchise seller for this offering is (check one):

☐	☐	☐	☐
Christine Dura 3650 NW 82nd Avenue, Suite 103, Doral, Florida 33166, (305) 537-7272	_____	_____	_____

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Prospective Franchisee:

Sign _____ Dated: _____

Print _____