FRANCHISE DISCLOSURE DOCUMENT
UNIT FRANCHISE BUSINESS

Structural Elements Franchising, LLC
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Hagerstown, Maryland 21742
Telephone: (301) 766-9293
Email: franchise@structuralelements.com
Website: www.structuralelements.com

Structural Elements Franchising, LLC
Franchise Sales Office
8001 Forbes Place, #211
Springfield, Virginia 22151

The franchise offered is for a unit franchise business ("Unit Franchise Business"). As part of the Unit Franchise Business, the "Unit Franchisee" develops, owns, and operates a standalone Structural Elements clinic within a designated area from which clients are provided specialized orthopedic and healthcare services utilizing a blend of Eastern and Western treatment modalities to promote whole-body wellness, longevity, and performance, which may include manual therapy, soft tissue work, acupuncture/dry needling, exercise and recovery services, lab tests, health coaching, physician services and other modalities approved by us (the "Methods").

The total investment necessary to begin operation of a Structural Elements franchise is from $703,450 to $1,458,815, including $80,000 to $100,400 that must be paid to us or our affiliate.

If you sign an Area Development Agreement, the estimated initial investment to develop between 2 to 5 Clinics is from $1,393,900 to $7,242,075, including $147,000 to $423,000 that must be paid to us or our affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our franchise sales office at 8001 Forbes Place, #211, Springfield, Virginia 22151 or via email at susan@structuralelements.com.

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

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

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

Issuance Date: February 18, 2026

How to Use This Franchise Disclosure Document

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

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

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

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

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

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

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

The Franchisor

To simplify the language in this disclosure document, the words "we," "our" and "us" refer to Structural Elements Franchising, LLC ("SEF"), the franchisor of this business. The words "you" and "your" refer to the person that enters into a franchise agreement with us whether you are an individual or a corporation, limited liability company, or other legal entity. If you are a corporation, limited liability company, or other business entity, certain provisions of this disclosure document also apply to your owners.

We are a Maryland limited liability company formed on August 26, 2015. Our principal business address is 13214 Fountainhead Plaza, Hagerstown, Maryland 21742. We do business only under our corporate name and the name "STRUCTURAL ELEMENTS". Our registered agent for service of process in Maryland is Douglas Bertram, 13214 Fountainhead Plaza, Hagerstown, Maryland 21742. Our agents for service of process in the states that require franchise registration are listed in Exhibit A to this disclosure document.

Our Parents, Predecessors and Affiliates

We are a wholly owned subsidiary of Structural Elements Holdings LLC ("SEH") as of December 31, 2021. SEH is located at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742. SEH has not offered franchises in this or any other line of business.

Our affiliate, Structural Elements, LLC, which is also located at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742, operated the original Structural Elements Clinic in Washington County, Maryland from 2013 until January 2020. The Hagerstown Clinic is similar to the franchise offered under this disclosure document. Structural Elements, LLC has not offered franchises in this or any other line of business. Structural Elements, LLC has granted us an exclusive, royalty-free license to grant qualified third parties a license to use the System (defined below) and the "Structural Elements" name, service mark and associated marks in the operation of "Structural Elements" businesses.

Our affiliate, SEF Development, LLC, which is also located at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742, became the owner and operator of the original Hagerstown Clinic pursuant to a transaction with Structural Elements, LLC as of January 1, 2020. SEF Development, LLC has not offered franchises in this or any other line of business.

The System

We and our affiliate Structural Elements, LLC have developed a distinctive system consisting of a multi-tiered business format and methodology for establishing and operating orthopedic wellness centers (the "Clinics") under the "Structural Elements" and other trade names, service marks and trademarks we designate for use in connection with the System (the "Marks") and for providing specialized therapeutic treatments at or from the Clinics, using the Marks (the "System").

Clinics provide orthopedic wellness services through our Methods, treatment processes which reflect our holistic approach to achieving balance and wellness in the body's structure pursuant to a body mapping system developed by our founder, Douglas Bertram. The focus of the treatment is to restore balance to the entire body and thereby alleviate the ultimate source of dysfunction, by locating and treating adhesions in the connective tissue that form throughout all regions of the body. After normalizing the

connective tissue, alignment is manually corrected and postural queues and soft tissue self-care are prescribed to further correct structural imbalances. Clinics will offer additional services to clients such as (se)®LAB (which stands for Learn, Apply, Balance), (se)®DTR (which stands for Deep Tissue Restoration), restorative services and techniques, which may include passive recovery modalities that evolve based on innovation, and physician services focused on longevity and performance. Each Clinic includes a retail component selling Structural Elements branded items and other athletic apparel, training tools and supplements from suppliers we designate and/or approve.

The System is designed to facilitate the operation of our multi-tiered franchise structure consisting of unit franchisees, area representative practitioners and micro-franchise practitioners as described below.

SEF Businesses

Unit Franchise Business

Under a unit franchise agreement ("Unit Franchise Agreement" or "Franchise Agreement"), we grant to qualified persons ("Unit Franchisees" or "Franchisees") to: (i) establish, own and operate a franchised clinic using the System and the Marks (each, a "Franchised Clinic") which will also house Micro-Franchisees. We also offer the opportunity to sign an area development agreement ("Area Development Agreement") under which qualified persons would commit to developing multiple Franchised Clinics. The Franchise Agreement for each additional Franchised Clinic developed under an Area Development Agreement will be the then-current form of Franchise Agreement being offered generally by us at the time that each such Franchise Agreement is executed (which may be different from the form of Franchise Agreement attached to this Disclosure Document). This franchise model is described as the "Unit Franchise Business." We began offering franchises for Unit Franchise Businesses on April 30, 2016. This disclosure document describes the Unit Franchise Business offering.

Area Representative Business

Under an area representative agreement ("Area Representative Agreement"), we grant to qualified practitioners ("Area Representatives"), the right at or from a Franchised Clinic, to: (i) solicit and recruit prospective Micro-Franchisees, (ii) train Unit Franchisees and Micro-Franchisees in the Methods, and (iii) provide the Methods to clients. This franchise model is described as the "Area Representative Business." We offer the right to operate an Area Representative Business under a separate disclosure document. We began offering franchises for Area Representative Businesses in April 2019.

Micro-Franchise Business

Under a micro-franchise agreement ("Micro-Franchise Agreement"), we grant to qualified practitioners ("Micro-Franchisees"), the right to provide the Methods to clients, at or from a Franchised Clinic. This franchise model is described as the "Micro-Franchise Business." We offer the right to operate a Micro-Franchise Business under a separate disclosure document. We began offering franchises for Micro-Franchise Businesses in March 2019.

Together, we refer to all of the franchise models described above as the "SEF Businesses."

In addition, our affiliate, SE Education LLC, offers certain online training and electronic resources to qualified practitioners and fitness professionals on how to incorporate the Methods into their existing practices. These individuals do not operate their businesses primarily under the Marks, do not operate from Clinics, do not receive the same training as franchisees receive, and do not have access to the same support we offer franchisees.

Other than as described above, we do not offer and have not previously offered franchises in any other line of business, and we do not engage in business activities other than those that are incidental to offering SEF Businesses.

The Unit Franchise Business Franchise Rights Offered

We grant to each Unit Franchisee the right, only within a designated area, and only at and from a physical premises within the designated area, to: (i) operate a Franchised Clinic and (ii) provide certain administrative and other support services designated or prescribed by SEF to the Area Representative and Micro-Franchisees. As a Franchisee, you and we will enter into a Franchise Agreement in the form attached to this disclosure document as Exhibit C. You must operate the Franchised Clinic according to the standards and specifications described in the Franchise Agreement and the confidential operations manuals for the Unit Franchise Business (the "Manuals").

The Franchised Clinic will provide turn-key ready space to practitioners offering orthopedic wellness services through our treatment process, which is a holistic approach to achieving balance and wellness in the body's structure pursuant to a body mapping system developed by our founder, Douglas Bertram. Practitioners may include acupuncturists, massage therapists, physical therapists, athletic trainers, nurses, doctors, health coaches, movement therapists and other professionals that work with active individuals. In addition to providing space and administrative services to practitioners, you will offer (se)®LAB memberships to services that do not require a licensed professional such as redlight therapy, cryotherapy, infrared sauna, PEMF, compression therapy and other services as wellness services continue to innovate. You may also offer space to fitness professionals and movement practitioners through (se)® LAB, (se)® Studio and/or (se)® Pilates Reformer, if you choose to implement those offerings. As a Franchisee you will also sell Structural Elements branded items and other athletic apparel, training tools and supplements from suppliers we designate.

Your Franchised Clinic must have one or more Micro-Franchisees on site and may have an Area Representative on site (each of the Area Representative and Micro-Franchisees must be a "Qualified Professional"). A Qualified Professional means an individual person who is legally qualified and licensed under state law to perform medical services, chiropractic, physical therapy, massage therapy, acupuncture/dry needling, personal training or other wellness services in the state or territory in which the particular Franchised Clinic is located. For example, in our home state of Maryland, dry needling is within the scope of practice for acupuncturists, chiropractors and physical therapists; that may not be true in your state. You, if you are a Qualified Professional, or other Qualified Professionals engaged by you, will be responsible for providing orthopedic wellness services in your Franchised Clinic in accordance with your state's laws and regulations through a Micro Franchise Agreement. The Franchise Agreement will not interfere, affect, or limit the independent exercise of medical judgment by the medical staff.

Administrative Services Agreement

In order to provide certain administrative services for and provide designated space in the Franchised Clinic to the Area Representative and Micro-Franchisees, you must enter into an Administrative Services Agreement ("Administrative Services Agreement") in a form we approve for each Area Representative Business and any Micro-Franchise Business to be housed in your Franchised Clinic. We must approve each Administrative Services Agreement between you and the Area Representative or each Micro-Franchisee prior to the parties' execution of the agreement.

The Administrative Services Agreement will require, among other things that: (i) the Area Representative and each Micro-Franchisee comply with the terms of their franchise agreements with us,

(ii) a default by the Area Representative or Micro-Franchisee under the franchise agreement or Administrative Services Agreement will also be deemed a default under their Administrative Services Agreement or franchise agreement, (iii) the agreement term is co-terminus with the term of the applicable Area Representative Agreement or Micro-Franchise Agreement, and (iv) we will be designated by the parties as a third-party beneficiary of the agreement. You may not enter into an Administrative Services Agreement with any prospective Area Representative or Micro-Franchisee prior to the Area Representative's or Micro-Franchisee's entry into a franchise agreement with SEF.

General Description of the Market and Competition

Our concept is targeted towards individuals looking to improve their physical health, recover from orthopedic injury or improve athletic performance. Our concept has had particular resonance with health enthusiasts who are interested in maintaining their active lifestyle. That may include endurance athletes, high school and college athletes and adults at all stages of life also could benefit from and show a positive response to the Methods. The market for orthopedic wellness services is moderately developed and you may compete with other physical therapists, medical providers, rehabilitation therapists, pain management specialists, balance programs, massage therapists, acupuncturists, chiropractors and fitness professionals, including individuals trained in our Methods and other wellness concepts.

Regulations Specific to the Industry

Each Unit Franchise Business must have all forms of facility and/or professional licensure as may be required under state law.

You must comply with all federal and state licensing and other regulatory requirements relating to the operation of your Franchised Clinic. In addition to laws and regulations that apply to business generally, you must comply with all health care regulations under federal, state and local laws that apply to the management and operation of your Franchised Clinic. You will be required to secure and maintain all required health care licenses, permits and certificates relating to the operation of your Franchised Clinic and the other licenses that apply to any Qualified Professionals or other employees.

Various federal and state laws regulate the privacy and security of patient health care information. For example, under the federal Health Insurance Portability and Accountability Act ("HIPAA"), as amended by the federal Health Information Technology for Economic and Clinical Health Act ("HITECH"), healthcare providers must keep patient health care information confidential and only disclose such information to third parties when requests are properly submitted. In addition, you must ensure the privacy and security of patient health care information you share with any "business associate," which is defined under the HITECH Act, such as service providers or attorneys. Many states also have laws regulating the privacy and security of patient healthcare information that may impose further restrictions or obligations related to securing of such information from unauthorized disclosure or "hacking".

Operation of the Franchised Clinic as an orthopedic wellness practice may be subject to comprehensive professional licensing and registration requirements. In addition, many states have professional services boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. These requirements often apply to both the individual professional service provider and the professional's business entity. As a condition to an orthopedic services professional's licensing requirements, the professional (or the professional's business entity) may need to obtain and maintain a minimum amount of professional liability insurance. The Franchise Agreement and Manuals prohibit you from employing any person in a position that requires a license or permit unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files.

The Area Representative or Micro-Franchisee working out of your Franchised Clinic may be required to qualify as a professional firm, professional corporation or similar type of corporate entity organized and permitted, under applicable provisions of state law to provide the services and products to clients that constitute the Methods, and to be owned by, employ or have independent contractor relationships with one or more Qualified Professionals. Each Area Representative and Micro-Franchisee will be obligated in the Administrative Services Agreement and Micro-Franchise Agreement to perform such actions as are necessary to obtain such qualifications and to warrant and represent compliance with the same. While you will provide certain business and management support and decisions for the Area Representative or Micro-Franchise Businesses located in the Franchised Clinic pursuant to the Administrative Services Agreement, the practitioners must at all times be free, in their sole discretion, and solely responsible for, the exercise of professional judgment on behalf of patients, as required under state law for the Qualified Professionals that practice in the Franchised Clinics.

Our providing services to you as a Franchisor is not intended to constitute our engagement in the "practice of medicine," physical therapy, massage therapy or any other profession requiring specialized training, certification or licensure. You should check the various state and federal laws and regulations governing the practice of medicine and other professions.

You are solely responsible for knowing about and complying with all laws and regulations applicable to the Unit Franchise Business. Therefore, you should consult with your attorney regarding these and other laws that may affect the operation of your Unit Franchise Business, including state and federal laws and regulations governing the practice of medicine and other professions.

ITEM 2. BUSINESS EXPERIENCE*

Douglas Bertram, L.Ac., MTCM: Founder and Member

Mr. Bertram, who is a licensed acupuncturist with a Masters in Traditional Chinese Medicine, has been one of our Members since our founding in August 2015. Mr. Bertram has been the owner and primary operator of our affiliate Structural Elements, LLC in Hagerstown, Maryland, since it commenced operations in August 2013. Mr. Bertram has experience teaching acupuncture and dry needling techniques and developed the body mapping system essential to the Structural Elements treatment process.

Jason Knicley, PT, DPT: Member

Mr. Knicley, a licensed physical therapist who also holds a Doctorate in Physical Therapy, has been one of our Members since August 2015. Mr. Knicley has been the sole Member of Knicley SE, LLC since March 2016, and through that entity he has operated the Structural Elements Clinic in Urbana, Maryland since January 2018. He was employed by our affiliate Structural Elements, LLC as a physical therapist from September 2015 until December 2017.

Susan King Glosby, MBA, MSW CFE: Vice President of Operations

Ms. Glosby is a Certified Franchise Executive and has served as our Vice President of Operations since February 2018. Since November 2017, she has owned and operated a coworking office space and previously operated KG Solutions, a consulting firm to assist franchisors with technology and operations support from December 2015 until February 2018.

Anne Bertram, MFA, CHHC, CMA, RSMT/E, Chief Communications Officer

Ms. Bertram has been our Chief Communications Officer since August 2025 in Hagerstown,

Maryland. Ms. Bertram was the Clinic Manager of Structural Elements Development from February 2025 to July 2025. Ms. Bertram is also a Pilates Instructor and the owner of When Nourished in Hagerstown, Maryland and has been since 2020.

Erin Hershey, MHA, Director of Patient Experience

Ms. Hershey has been our Director of Patient Experience since June 2024 in Hagerstown, Maryland. Prior to that, Ms. Hersey was the Director of Client Success at Care Sherpa in Nashville, Tennessee from July 2020 to June 2024.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

In order to establish a Unit Franchise Business, you must pay to us an initial franchise fee ("Initial Franchise Fee") in the amount of $65,000.

There is no fee for your Primary Owner to attend the initial training programs, but if you Designated Manager is not your Primary Owner, then you must pay a fee for the Designated Manager or other individuals we approve to attend the training programs, which is $2,700 per participant per program.

In addition, you must purchase from or through us an initial inventory of branded Structural Elements apparel, all orthotics and other inventory that you will resell to Clients, in an amount that will vary from $15,000 to $30,000 based on the size of the Franchised Clinic and the demographic in your designated area.

If you sign an Area Development Agreement, the "Development Fee" is the total of $65,000 for the first Structural Elements Unit Franchise Business and $52,000 for each additional Structural Elements Unit Franchise Business you agree to establish under the "Development Schedule" described in the Area Development Agreement. You will not pay us an Initial Franchise Fee when you sign each Franchise Agreement developed under an Area Development Agreement.

The fees described above are fully earned when you sign the Franchise Agreement or Development Agreement. Except as described above, the fee is uniform for new franchisees signing Franchise Agreements or Development Agreements. These fees are not refundable under any circumstances.

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ITEM 6. OTHER FEES

Name of Fee	Amount	Due Date	Remarks
Royalty	8% of Gross Receipts or a minimum monthly royalty of $500 ("Minimum Monthly Royalty") per calendar month.	Monthly, due by the 10th day of the following calendar month	See definition of Gross Receipts in Note 1 below. See Note 2 below regarding potential changes to base amounts due to inflation. All periodic fees will be charged by electronic funds transfer (debit) from your bank account, but we reserve the right to change the manner and method of payment for all payments owed to us.
Technology Fee	$350 per month	Same as Royalty	The Technology Fee is paid to the Franchisor for access to and maintenance of the System-wide intranet, including email accounts, a webpage for your location, web-based training for your employees, and other marketing and human resources support. We reserve the right to increase the Technology Fee upon 60 days written notice to you; provided that the Technology Fee will not be more than our costs to provide the services plus up to 20%.
Brand Building Contribution	Up to 4% of Gross Receipts per month. Currently, 1% of Gross Receipts per month.	Same as Royalty	If a Brand Building Fund is administered by us, the Brand Building Contribution is paid to us to administer a marketing program to build consumer awareness of the Structural Elements brand.
Minimum Local Marketing Expenditure	$1,500	Monthly	The Minimum Local Marketing Expenditure is the minimum amount a Franchisee should expend monthly toward local advertising, marketing and promotion. We may adjust the Minimum Local Marketing Expenditure in accordance with inflation upon 30 days' written notice to you.
Regional Marketing Cooperative Contribution	There is no current cooperative structure, but we reserve the right to establish regional marketing cooperatives in the future, in which case the combined total advertising fees of the Brand Building Contribution and the Regional Marketing Cooperative	Same as Royalty, if implemented	We may require you to participate in a regional marketing cooperative to promote the System. The company-owned or affiliate-owned outlets would have the same voting power as franchised outlets.

Name of Fee	Amount	Due Date	Remarks
	Contribution would be no greater than 4% of Gross Receipts.		
Ongoing payments for retail inventory	Varies, depending on your volume of retail sales	Net 30	You must purchase all branded inventory held for resale from us or from a supplier who we designate
Training Fee	$2,700 per participant per program	Before training	You must pay us the Training Fee for the participation of each of your managers in either the Owner Training Program or the Pre-Opening Training Program. There is no fee for you to attend. You are also responsible for all costs and expenses your personnel incur to attend training.
On-Site Training	$1,000 per half-day, plus our trainer's expenses	Upon demand	We may charge you this fee if we provide you training either at your request, or if we determine that you are not operating the franchise up to our standards, we require you to complete remedial training, and you and we agree that it should be provided at your location. If your Franchised Clinic is located more than 150 miles from our headquarters, the minimum charge will be $1,000.
Annual Convention	Up to $500 per attendee	As incurred	We may require you and your designated manager attend annually, for up to 3 days, oneconvention or conference that we sponsor or designate. We reserve the right to charge you a fee to attend the annual convention and may charge this fee even if you fail to attend the annual convention unless we provide written confirmation of your excused absence. We have no obligation to host or sponsor any convention or conference. You are also responsible for all costs and expenses you or your personnel incur to attend.
New Supplier Evaluation Fee	$500	When requesting evaluation of a new potential supplier or product	This fee is intended to cover our costs and time spent on research, due diligence or testing in evaluating whether to approve your request to use a

Name of Fee	Amount	Due Date	Remarks
			supplier or product other than as specified in our Operations Manual. If we approve the request then we will refund the fee, less any of our actual out of pocket expenses incurred to evaluate the new supplier or product.
Operations Manual Replacement	$250	Upon delivery of a replacement Manual	Will be charged if any volume of Operations Manual originally loaned to you is lost, stolen or destroyed.
Insufficient Funds (NSF) Fee	$150 per insufficient funds episode	Upon demand	Charged if you fail to maintain sufficient funds in your designated bank account for us to withdraw the Royalty Fee and other applicable amounts due to us, such that we receive an insufficient funds notice from your bank.
Interest on Late Payments	1.5% per month or the highest interest rate allowed by law, whichever is less	Upon demand	Applies to all overdue amounts due to us.
Transfer Fee	25% of our then-current Initial Franchise Fee if to an owner of an existing, operating Clinic. 50% of our then-current Initial Franchise Fee if to someone who is new to Structural Elements. $1,000 for minority interest transfers.	Prior to transfer	The transfer fee covers our costs and expenses to review the proposed transfer. A transfer of a minority interest means assignment of less than 20% of the ownership in an entity franchisee, in the aggregate of all transfers deemed part of the same transaction.
Relocation Fee	25% of our then-current Initial Franchise Fee if you wish to relocate.	Upon signing of lease for new location	The Relocation Fee covers our cost and expense related to the relocation, such as site approval and build out design approval.
Renewal Fee	25% of our then-current Initial Franchise Fee	Not less than 90 days prior to the expiration of the Term	There are other conditions for the grant of a successor franchise.
Additional Location Fee	80% of our then-current Initial Franchise Fee if you wish to open an additional Clinic	Upon signing of a lease for such additional Clinic	The Additional Location Fee covers our cost and expense related to the additional Clinic such as site approval and build out design approval.
Insurance	Amount of unpaid premiums, plus an administrative fee	10 days after invoice	Payable only if you do not maintain required insurance coverage and we

Name of Fee	Amount	Due Date	Remarks
			elect to obtain coverage for you.
Indemnification	Will vary with circumstances	10 days after invoice	If we are sued for claims relating to the operation of your Center or for damages that we incur due to your breach of the Franchise Agreement, then you must reimburse us.
Extension Fee (Area Development Agreement)	$5,000 for up to 6 months	Upon request for extension	If we grant you a one-time extension to open for up to 6 months, you must pay us an extension fee.
Transfer Fee (Area Development Agreement)	25% of our then-current Development Fee if to an owner of an existing, operating Clinic. 50% of our then-current Development Fee if to someone who is new to Structural Elements.	Prior to transfer	The transfer fee covers our costs and expenses to review the proposed transfer.

NOTES:

All fees are imposed by and are payable to us. All fees are uniformly applied to Unit Franchisees and are non-refundable. We will obtain payment from you for all ongoing fees due to us by way of an electronic fund transfer (or EFT) procedures but reserve the right to change the manner and method of your payment of ongoing fees.

Note 1. The term "Gross Receipts" means the aggregate of all revenue (including revenue from administrative service agreement fees) that you receive at the Franchised Clinic or from providing Structural Elements services or other services or goods that we implement as a standard or optional part of Structural Elements customer offerings as received from all sources whether by cash, check, debit, credit, barter or "traded services" transaction, virtual currency or otherwise, plus all proceeds from any business interruption insurance, but excluding all refunds made in good faith, any sales and equivalent taxes which are collected by you for or on behalf of any governmental taxing authority.

Note 2. Except as noted above, we may increase all fees specified in this FDD as a specific dollar amount (versus a percentage of another amount) up to 20% per calendar year.

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ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Names of Expenditures	Actual or Estimated Amounts for You		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low Amount	High Amount			
Initial Franchise Fee [1]	$65,000	$65,000	Cashier's Check	Upon execution of the Franchise Agreement	Us
Manager Training Fee	$0	$5,400	As Arranged	Before Training	Us
Lease Deposit & Rent [2]	$22,500	$66,500	Monthly	Before Beginning Operations	Landlord
Signage [3]	$13,500	$22,500	As Arranged	Before Beginning Operations	Supplier
Design Architecture Plans and Permits	$18,000	$21,000	As Arranged	Before Beginning Operations	Designated Supplier
Remodeling & Buildout [4]	$375,000	$875,000	As Arranged	Before Beginning Operations	Designated Supplier
Furnishing and Fixtures [5]	$105,950	$151,815	As Arranged	Before Beginning Operations	Designated Supplier
Equipment [6]	$32,000	$110,000	As Arranged	Before Beginning Operations	Designated Suppliers
Computers	$5,000	$12,000	As Arranged	Before Beginning Operations	Designated Suppliers
Advertising	$15,000	$25,000	As Arranged	Before Beginning Operations	Third Parties
Point of Sale, Scheduling, Recordkeeping Software [7]	$1,200	$1,400	As Arranged	Before Beginning Operations	Designated Suppliers
Inventory [8]	$15,000	$30,000	As Arranged	Before Beginning Operations	Us, Designated Suppliers
Business Licenses	$900	$2,700	As Arranged	Before Beginning Operations	Regulatory Agencies

Names of Expenditures	Actual or Estimated Amounts for You		Method of Payment	When Due	To Whom Payment Is To Be Made
	Low Amount	High Amount			
Insurance	$1,900	$5,500	As Arranged	Before Beginning Operations	Third Party
Professional Fees [9]	$2,500	$5,000	As Arranged	Before Beginning Operations	Third Party
Additional Funds [10]	$30,000	$60,000	As Arranged	Before Beginning Operations	Employees
TOTAL [11]	$703,450	$1,458,815			

NOTES

This estimate is based on opening a clinic that is between 5,000 and 7,000 square feet in size, which is similar to our affiliate's original Clinic in Hagerstown, Maryland.

[1] Fees and Payments. All fees and payments are non-refundable, unless otherwise stated. The chart above estimates your initial investment to conduct the Unit Franchise Business.

[2] Lease. Our disclosure includes a range for 5,000 to 7,000 square feet and assumes an average rent of $18 - 38 per square foot. This estimate is for the first three months' rent and a deposit equal to one month's rent. We expect that most franchisees' rent, including common area maintenance charges and real estate taxes, will be between $8,500 and $10,000 per month. Your rent may be higher if the Clinic exceeds 7,000 square feet or if you are in a premium rent district. Additionally, real estate deposits vary depending on landlord requirements and may include abatement for a period of time.

[3] Signage. Our disclosure is for the cost of signs that will be created for both inside and outside of your Franchised Clinic. This cost will vary based upon, for example, the requirement of and fees charged by your landlord.

[4] Remodeling & Buildout. The average cost is from $75 to $125 per square foot but may vary depending upon the individual needs of your space and includes the costs for construction management services. Some of these costs may be paid by your landlord, as a Tenant Improvement Allowance in exchange for higher rent. We require you to use our designated supplier for construction management services, which costs approximately $18,000.

[5] Furnishing and Fixtures. This is the estimated cost for furnishing your location for business functions, such as a waiting area, as well as six to eight treatment rooms and will be completed under the supervision of our designated Clinic designer as more fully described in Item 8.

[6] Equipment. The equipment needed includes the purchase and/or leasing of recovery modality equipment, in the current model consists of cryotherapy, infrared sauna, compression therapy, PEMF, and redlight therapy lights. In addition, an initial stock of consumables such as dry needling needles and treatment supplies, patient gowns and linens, specialty treatment devices, and orthopedic rehabilitation equipment. The low estimate assumes that you do not incorporate our gait assessment service.

[7] Point of Sale, Scheduling, Record Keeping Software. Includes the technology fee for 3 months of

our designated technology solutions.

[8] Inventory. You must purchase from us or designated suppliers' inventory of branded Structural Elements apparel and other inventory that you will resell to client. You will purchase between $15,000 and $30,000 before you begin operations based on the size of the Franchised Clinic and the demographic in your designated area, and you will purchase the rest of the inventory from designated suppliers or from us after you begin operations. We will develop this order with you during your initial training, and you will be required to pay the invoice for the initial inventory when placing the order.

[9] Professional Fees. The estimate is for employing an attorney, accountant, and other consultants to help you establish a corporation or other entity to operate the business and, if you deem it appropriate, to evaluate our franchise offering and/or to evaluate and negotiate your real property lease. Your actual costs may vary substantially, depending on the degree to which you rely upon your advisors.

[10] Additional Funds. This estimate is based on the experience of officers and existing practitioners is to cover anticipated expenses, utilities, wages for hourly employees, consumables, technology, royalty and brand building fund fees payable to us, , and other miscellaneous costs you are likely to incur during the first 3 months of operation of your Franchised Clinic. This does not include an estimate of payments for your Primary Owner or Designated Manager.

[11] Total. Unless otherwise specifically noted, this table reflects your costs of opening a Structural Elements business as a new business and not as an addition to an existing related business, such as a physical therapy office. Your costs may be lower if you are adding Structural Elements to an existing related business. In compiling this chart, we relied on the industry experience and the experience of our affiliate in owning and operating a business similar to the one offered in this disclosure document. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise.

We do not offer direct financing to you for any item. All or part of your investment may be financed by a bank or other lending institution on terms we cannot estimate. Payments are generally non-refundable when paid, unless the supplier specifically agrees otherwise.

YOUR ESTIMATED INITIAL INVESTMENT – MULTIPLE UNIT FRANCHISE

Area Development Agreement

(2 to 5 Clinics)

Type of Expenditure	Estimated Amount/ (Low-High Range)	Method Of Payment	When Due	To Whom Payments to be Made
Development Fee	$117, 000 to $273,000	Lump sum	Upon signing Development Agreement	Us
Initial Investment for 2 to 5 Clinics	$1,276,900 to $6,969,075	See Table Above.		
Total	$1,393,900 to $7,242,075			

Notes:

(1) Amount. Except where otherwise noted, all fees that you pay to us are non-refundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable.

(2) Development Fee. If you sign an Area Development Agreement, you pay us the Development Fee as more fully described in Item 5.

(3) Initial Investment for 2 to 5 Clinics. This figure represents the total estimated initial investment required to open 2 to 5 Clinics that you agree to open and operate under the Area Development Agreement. You will be required to enter into our then-current form of franchise agreement for each Clinic you open under your Area Development Agreement. The range may change for the second and subsequent Clinic. The range includes all the items outlined in the first chart of this Item 7, excluding the Initial Franchise Fee for the Clinics.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Except as indicated below, you are not required to purchase or lease products or services from us or from suppliers approved by us or under our specifications.

Purchases from Us

You must purchase your inventory of branded retail products and all orthotics from us or from our designated suppliers, as we specify, including a minimum of $15,000 in inventory prior to opening your franchise.

We expect to earn some profit from your purchases of branded retail products or orthotics, but also to obtain volume discounts for the benefit of all Clinics if we succeed in growing and developing the franchise system.

Approved Suppliers/Standards and Specifications

You must construct, equip, maintain and operate the Franchised Clinic according to our standards and specifications. We will provide you with specification for the Franchised Clinic, including standards for build-out, layout, equipment, décor and signage. We require you to work with a construction management services vendor that we designate, currently Scale. All equipment, furnishings, fixtures, retail items and materials used in operating your Franchised Clinic, as well as the data storage and client scheduling companies that you use and the insurance that you purchase, must meet our specifications and quality standards and, if required by us, shall be purchased only from an approved supplier. In the future we or our affiliate may be a supplier or the sole supplier of certain items; however, at this time we are not the only designated supplier for any of the items you need to use in your Franchised Clinic except for (se)® branded retail products and orthotics as described in this disclosure document.

We will provide, in the Manuals or by other written or electronic form, a list of items you will need to purchase for resale or to operate your Franchised Clinic and, if required, a list of one or more Designated Suppliers for some or all of these items which we may revise from time to time. Our specifications may include minimum standards for performance, design and quality. We formulate and modify our specifications and standards for products and services based on the industry knowledge and experience of

our officers. Except as described above with regard to branded items, none of our officers owns an interest in any currently approved supplier of goods and services to a Structural Elements business, although one or more of the officers may have such an interest in the future.

You must use a data storage program, scheduling program and computer hardware that we designate. You will license the software products directly from their sellers, but we will have third party administrative access to your business management software account to the extent allowable by HIPAA and data privacy laws. Your computer hardware will consist of at least three devices, to include two desktop or laptop computers (one for reception and one for use by Qualified Professionals) and one tablet, which must meet our specifications and may require updates from time to time in order to fully utilize the designated software. See Item 11 below of this document for a further description of our technology requirements.

We have selected a brand of dry needles and other treatment tools that we would prefer you to purchase for use in providing Structural Elements services and which are therefore approved supplies. However, we will not unreasonably withhold approval of other brands or suppliers if you demonstrate that the alternative supply is necessary in the professional judgment of the Micro-Franchisees and/or Area Representative operating in the Franchised Clinic.

We have a recommended supplier of athletic apparel, treatment table covers, store buildout consultants, furnishings, and equipment, and you must purchase those requirements from that vendor or another one who we approve. We believe this provides franchisees with flexibility in the design of their space while maintaining a consistent and cohesive image of Structural Elements.

If you would like to use components from alternative suppliers, or any other item or service in establishing or operating the Franchised Clinic that we have not approved (for items or services that require supplier approval), you must first send us sufficient information, specifications and/or samples for us to determine whether the item or service complies with our standards and specifications, in the manner stated in our manual. We charge a $500 fee to review your request for approval of an item, service or supplier. We will decide within 30 days after receiving the required information whether you may purchase or lease such items or services or from such supplier, and if we approve your request then we refund the $500 fee, less our actual out of pocket expenditures to evaluate the proposal. We apply the following and other general criteria in deciding whether to approve a proposed supplier: the effect that approving such a request may have on our business interests and on the franchise system's ability to negotiate favorable group pricing and other terms for the item; the supplier's credit worthiness; its ability to provide sufficient quantity of product; quality of products and/or services at competitive prices; production and delivery capability; and its dependability and general reputation. We are not obligated to approve any request for approval of an alternative supplier.

From time to time, we may review our approval of any item, service or supplier. We will notify you if we revoke our approval of an item, service or supplier, and, unless you can demonstrate that such supplies are necessary for you to provide therapy services in compliance with your professional judgment, you must immediately stop purchasing disapproved items or services, or must immediately stop purchasing from a disapproved supplier. Unless no supplier has been designated or approved, you must purchase all products and services for your Franchised Clinic only from suppliers we have designated or approved, including from alternate suppliers if we disapprove of a supplier from whom you have previously purchased.

We estimate that approximately eighty-five to ninety percent (85%-90%) of your initial purchases for goods or services, inclusive of the Initial Franchise Fee, must be made from us, approved suppliers or otherwise in accordance with our standards and specifications. Approximately forty percent (40%) of your

ongoing purchases of goods or services for operation of the business (inclusive of royalties and advertising) will be from us, approved suppliers or according to our standards and specifications.

Ownership Interest in Suppliers

Except for the branded retail products and orthotics, we are not currently an approved supplier of any product or service used in the operation of the Unit Franchise Business. Our officers maintain an interest in us, but do not maintain an ownership interest in any other approved or designated supplier.

Insurance

You must purchase and maintain in effect during the term of the Franchise Agreement the type and amount of insurance specified in the Operations Manual in addition to any other insurance that may be required by applicable law and any lender or lessor. Your insurance policies must name us as an additional insured and/or loss payee. We do not derive revenue as a result of your purchase of insurance. To satisfy our current requirements, you must maintain the following insurance policies and minimum coverage amounts:

1. Commercial general liability coverage. Comprehensive coverage general aggregate, $2,000,000, per occurrence, $1,000,000; Personal & Advertising Injury, $100,000; Fire Damage, $1,000,000; Medical Expenses (any one person), $10,000; Personal Injury, $1,000,000; Products Liability $2,000,000.

2. Premises liability coverage. Consistent with the terms of your lease for the space used by your Franchised Clinic.

3. Property coverage. All perils coverage to personal property contained in the Franchised Clinic.
4. Worker's Compensation (minimum amount required by applicable law).

You must also ensure that the Micro-Franchisees and any Area Representative operating in the Franchised Clinic maintain at least the following amounts of professional liability and malpractice coverage: $3,000,000 aggregate for each Qualified Professional; $1,000,000 per occurrence.

Upon 10 days' notice, we may increase the minimum protection requirement as of the renewal date of any policy and require different or additional types of insurance at any time, including excess liability (umbrella) insurance, to reflect inflation, identification of special risks, changes in law or standards or liability, higher damage awards or other relevant changes in circumstances. If you fail to maintain any required insurance coverage, we have the right, but not the obligation, to obtain such coverage on your behalf, and you must promptly complete all applications and other forms and instruments required to obtain the insurance and pay to us, within 10 days after invoicing, all costs and premiums that we incur.

In the event that any Micro-Franchisee leasing treatment space in the Franchised Clinic has failed to obtain or maintain professional liability insurance, we may require you to obtain and maintain such professional liability insurance on behalf of the Micro-Franchisees.

Revenue Derived by Franchisor and Affiliates from Franchisee Purchases

As our last fiscal year ended December 31, 2025, we received $4,238 as a result of purchases made by Unit Franchisees, which was 2.01% of our total revenue of $207,881 for the fiscal year ending December 31, 2025. However, we expect to make some profit on items that you purchase through us, and we reserve the right to require third-party suppliers to pay us fees or other consideration for the privilege of being able

to supply products or services to our franchisees. Examples of such potential payments will be flat annual fees, a percentage of the supplier's sales to franchisees, or additional discounts on products provided to Clinics operated by us or our affiliates.

Miscellaneous

It is our intention to negotiate distribution and supply agreements, commissions, and group rates for purchases of certain inventory and supplies necessary for the operation of the Franchised Clinic, for the benefit of both our franchisees and Clinics that our affiliates operate, although we have yet to do so and our ability to achieve that objective will depend in large part on our success in developing the franchise network.

Cooperatives

There are no purchasing or distribution cooperatives. We do not provide or withhold material benefits to you (such as renewal rights or the right to open additional Structural Elements businesses) based on whether you purchase through the sources we designate or approve; however, purchases of unapproved products or purchases from unapproved suppliers in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation		Section In the Franchise Agreement	ITEM In the Disclosure Document
a.	Site selection and acquisition/lease	Section 2.b. and 2.c.	ITEMS 7 and 11
b.	Pre-opening purchases/leases	Sections 2.b.i. and 11.f.- i.,	ITEMS 5, 7 and 8
c.	Site development and other pre-opening requirements	Sections 2.b.i. and 11.	ITEMS 7, 8 and 11
d.	Initial and ongoing training	Section 6.	ITEMS 5, 6, 7, 11 and 15
e.	Opening	Section 2.b.	ITEMS 7 and 11
f.	Fees	Section 4.	ITEMS 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	Sections 7. and 11.	ITEMS 8, 11 and 16

Obligation		Section In the Franchise Agreement	ITEM In the Disclosure Document
h.	Trademarks and proprietary information	Sections 2.a. and 8.	ITEMS 13 and 14
i.	Restrictions on products/services offered	Section 11.	ITEM 16
j.	Warranty and customer service requirements	NOT APPLICABLE	NOT APPLICABLE
k.	Territorial development and sales quotas	NOT APPLICABLE	NOT APPLICABLE
l.	Ongoing product/service purchases	Section 11.	ITEMS 6 and 8
m.	Maintenance, appearance and remodeling requirements	Section 2.b.	ITEM 17
n.	Insurance	Section 11.k.	ITEMS 6, 7 and 8
o.	Advertising	Section 10.	ITEMS 6, 7 and 11
p.	Indemnification	Section 12.b.	ITEM 6
q.	Owner's participation/ management/staffing	Section 11.c.	ITEMS 11 and 15
r.	Records and reports	Sections 2.b.v. and 5.	ITEM 6
s.	Inspections and audits	Sections 5.c. and 15.b.vii.	ITEMS 6, 11 and 13
t.	Transfer	Sections 13 and 14.	ITEM 17
u.	Renewal	Sections 3.b.	ITEM 17
v.	Post-termination obligations	Sections 12.c., 12.d., 17., and 18.	ITEM 17
w.	Non-competition covenants	Section 12.d.	ITEM 17

Obligation		Section In the Franchise Agreement	ITEM In the Disclosure Document
x.	Dispute resolution	Sections 19 and 20.	ITEM 17
y.	Personal Guaranty	Sections 14.b.vi.	ITEM 15

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

Obligation	Section in Agreement(1)	Disclosure Document Item
a. Site selection and acquisition/lease	Article 4	Item 11
b. Pre-opening purchases/leases	None	Items 7 and 8
c. Site development and other pre-opening requirements	Article 4	Item 11
d. Initial and ongoing training	None	Item 11
e. Opening	None	Item 11
f. Fees	Articles 2(D) and 5	Items 5 and 6
g. Compliance with standards and policies/Operating Manual	None	Item 11
h. Trademarks and proprietary information	Articles 7 and 8	Items 13 and 14
i. Restrictions on products/services offered	None	Item 16
j. Warranty and customer service requirements	None	Item 11

Obligation	Section in Agreement[(1)]	Disclosure Document Item
k. Territorial development and sales quotas	Articles 2 and Exhibit B	Item 12
l. Ongoing product/service purchases	None	Item 8
m. Maintenance, appearance and remodeling requirements	None	Item 11
n. Insurance	None	Items 6 and 8
o. Advertising	None	Items 6 and 11
p. Indemnification	Article 20	Item 6
q. Owner's participation/ management/staffing	None	Items 11 and 15
r. Records/reports	Article 10	Item 6
s. Inspections/audits	None	Items 6 and 11
t. Transfer	Article 15	Item 17
u. Renewal	None	Item 17
v. Post-termination obligations	Article 12(C) and 14(B)	Item 17
w. Non-competition covenants	Article 8	Item 17
x. Dispute resolution	Articles 16 and 17	Item 17

ITEM 10. FINANCING

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

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

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

A. Our Pre-Opening Obligations to You

Before you open your Franchised Clinic, we:

1. Must approve the location of the Franchised Clinic. We will be available for consultation with respect to choosing a proper location for your Franchised Clinic, but we will not be required to provide assistance to your search. We do not intend to own or lease your premises and lease or sublease it to you. We will approve or disprove your Franchised Clinic location within 30 days of your submission to us of required information so that we may make our decision. We will take into consideration the location's characteristics, such as visibility and neighboring tenants, parking, size of the space, its accessibility to major population centers and likely clinic patrons, and the economic terms off the lease or purchase contract. We may require that the lease of your location give us the right (but not the obligation) to assume your leasehold rights if you default under the lease or the franchise agreement is terminated. (Section 2.b.). If you fail to secure a site, we have approved within 6 months of signing the Franchise Agreement, then we may terminate the Franchise Agreement and refund one-half of the Franchisee Fee, in exchange for a General Release (the form of which is Exhibit D to this disclosure document).

You agree to deliver copies of the proposed lease agreement and related documents to us for approval before you sign them. Our approval will be limited to ensuring that the lease and related documents are consistent with the Franchise Agreement and our standards and specifications for Structural Elements Clinics. You agree to send us a copy of your fully executed lease within 5 days of their execution.

2. Will provide approximately 4 days of training at our Washington County, Maryland headquarters, or another designated facility, as described below (Section 6).

3. Will provide you with access to the Structural Elements Business Operations Manual, which includes written specifications for required furniture, equipment, fixtures and supplies and the names and contact information for any approved or designated suppliers of such items, as well as specifications for items for which we have not identified suppliers. (Section 7.). The Manuals are confidential and remain our property on loan to you while you remain a franchisee. We may modify the Manuals from time to time, but the modification will not alter your status and rights under the Franchise Agreement. Our current Manual consists of a Pre-Opening Guide containing 29 pages and a Franchise Operations Manual containing 92 pages. We have included a copy of the Table of Contents of each part of our Manual as Exhibit E to this Franchise Disclosure Document.

4. Will refer you to our designated consultant who will assist you with the build-out design, general aesthetic standards, and furnishing of your Franchised Clinic location, in compliance with our standards. You will be responsible to pay the designated vendor directly for its design and consulting services. You shall be solely responsible for making the premises conform to local ordinances and building codes, and for obtaining any required building or occupancy permits. (Section 11.e.)

5. In addition, if you enter into an Area Development Agreement, we and you will have agreed to a Territory and a Development Schedule which identifies the number of Franchised Clinics you will develop, and the time frame and the area in which the Franchised Clinics will be developed. Structural Elements will enter into additional Franchise Agreements for Franchised Clinics if, at the time of your request: (1) you have signed a Franchise Agreement by the date specified in the Development Schedule; (2) you meet our current minimum financial standards; (3) you fully comply with all obligations and are in good standing under each existing Franchise Agreements between Structural Elements and you for individual Franchised Clinics; and (4) you are not in default under the Area Development Agreement. (Area Development Agreement Article 3). Structural Elements' obligations under the Area Development Agreement apply to a multi-unit franchisee only. Each time Structural Elements and a multi-unit franchisee

signs another Franchise Agreement, Structural Elements' obligations are activated for the new Franchised Clinics to be established. Except as described above, we do not have separate obligations under the Area Development Agreement.

B. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of a Structural Elements business is one hundred and twenty (120) to two hundred and forty (240) days for a new business. Factors that may affect your beginning of operations include obtaining business insurance and required professional and business licensing; locating, occupying and renovating a business location; and completing our training program.

C. Our Obligations During the Operation of The Franchised Clinic

After the opening of the Franchised Clinic, we:

1. From time to time, will advise and offer guidance to you in person, by telephone, e-mail, newsletters and other methods. Such advice and guidance will relate to operational methods, accounting procedures, pricing guidelines and marketing and sales strategies. We do not currently impose any pricing requirements for professional services but suggest that you base your prices for retail items on the manufacturer's suggested retail price (MSRP).

2. At our discretion, will visit your Franchised Clinic for the purposes of monitoring your compliance with our standards in your operation of the Franchised Clinic. (Section 6.a.v.)

3. If you request that we do so, or we deem it necessary due to your lack of compliance with our operating standards, will provide you with in-person consultation on our operational methods and with ongoing training at your business location, in exchange for payment of $1,000 for each half day of training, plus our travel expenses. (Sections 6.a.v., vi.)

4. Will make available to you changes and additions to the System and the Manuals as generally made available to all franchisees. (Section 7.)

5. Will review all advertising materials you propose to use for Local Advertising, and either approve, reject, or instruct on changes needed to obtain approval of the proposed materials. (Section 8.b.v.)

6. If we decide to do so, will administer the Brand Building Fund (Section 10.a.1.) and, if we choose to implement them, one or more Regional Cooperative Advertising programs (Section 10.).

7. May provide you with leads of potential Micro-Franchisees and, as applicable, an Area Representative who may operate out of the Franchised Clinic.

8. At our discretion, we may provide additional group training open to all franchisees, either in person or through Webinars, on-line articles and Q&A sessions, as described below under the "Training" heading.

D. Advertising and Promotion

We are not obligated to conduct or assist you with advertising, unless specifically identified in the following section.

Grand Opening

We require you to spend a minimum of $15,000 on local advertising and promoting the Franchised Clinic within the first 3 months of operations. At your request, and at our discretion, we will provide you with guidance for conducting grand opening advertising, and we will review and approve the materials you use in your grand opening advertising.

Local Marketing

You must spend at least $1,500 monthly on local advertising after your initial launch. You are required to submit advertising materials for our approval before placing it in media. We will either approve or deny our approval, or condition approval on certain changes, within 15 days of receiving your request. If we fail to respond within that time frame, your request will be deemed approved. However, you must discontinue the use or placement of any previously approved advertising within five (5) days of when we direct you to do so. (Section 11.g.)

You may not maintain a website to promote your Franchised Clinic except as a location-specific page through our domain "STRUCTURALELEMENTS.COM." However, you may utilize social media presence on websites such as Facebook, with our approval and guidance, provided you do so in a manner consistent with the Manuals, which includes following certain naming conventions, branded posts and "dos and don'ts" for your administration of your social media accounts. Your primary online presence flows through the Structural Elements landing page and, accordingly you will be allocated a certain domain off of the main Structural Elements webpage.

Regional Cooperative Marketing Fund

We may require you to participate in a regional marketing cooperative at our discretion in the future. If required, each Structural Elements business within the designated region, including any locations owned or operated by us, will be a member of the cooperative, and will be entitled to one vote per business owned. We can require that you pay into the cooperative, on a monthly basis, 2% of your Gross Receipts. In no event shall the total advertising fee between the Regional Cooperative Fee and the Brand Building Contribution be greater than 4% of Gross Receipts, and all Regional Marketing Cooperative payments will be offset against Brand Building Contributions otherwise payable to us.

If we require the formation of a regional cooperative, each member of the cooperative will sign a written agreement concerning the governance and management of the cooperative, including, but not limited to, the terms specified above. In addition to other terms and provisions, the agreement will include methods for determining who oversees and manages the cooperative's funds; the members' entitlement to financial statements regarding the use of those funds; and other rights and remedies of the cooperative members with regard to the use of those funds. We will have, in our sole discretion, the right to merge any regional cooperatives into larger regions. However, the dissolution of a cooperative or dividing a cooperative into smaller regions will require the approval of at least two-thirds of all votes entitled to be cast.

Advertising Fund

We require you to contribute a percentage of Gross Receipts to our Brand Building Fund (the "Fund") for use to increase the awareness of Structural Elements brand and services, which payment is measured and paid at the same time as royalties. (Section 4.d.) We will administer the Fund and we will have financial statements prepared each year and we will provide you with a copy if you request it. We may require that the annual financial statement be audited by an independent certified public accountant at

the expense of the Fund. Our affiliates that operate Structural Elements businesses will make contributions to the Fund on the same basis required of franchisees. The Fund is not a trust and we assume no fiduciary duty in administering it.

The Fund's assets shall be used for any purpose that we decide in our reasonable business judgment, is necessary or appropriate to improve client patronage of Structural Elements businesses as a whole. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements and promotions. We may use the Fund Contributions to cover the costs of sponsoring events, such as endurance contests; preparing and conducting television, radio, Internet, social media, magazine and/or newspaper advertising campaigns and other public relations activities; developing and/or hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; and providing other marketing materials to franchisees. We also may use Fund Contributions to conduct consumer-oriented market research; facilitate referral relationships with key referral sources; or conduct customer satisfaction surveys. We are not obligated to spend any amount from the Fund on advertising or promotion in your Designated Area.

We maintained a Fund during fiscal year 2025, but did not spend any amounts collected in 2025. If we administer the Fund going forward, we may conduct some advertising and promotional strategies in-house, but we may also use an advertising agency. We will not use your contributions to cover any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Fund. We will not use Fund Contributions for advertising that is principally a solicitation for the sale of franchises.

We may use all contributions in the fiscal (calendar) year they are made. We will use any interest or earnings of the Fund before using current contributions. If any contributions are not used during the year in which they are contributed to the Fund they will be maintained in the Fund for use during the following year. Such carry-over contributions will be used before we use current contributions from the following year. We intend for the Fund to be perpetual once it is established, but we have the right to terminate it. We will not terminate the Fund until all contributions and earnings have been used for advertising and promotional purposes or have been returned to our franchisees on a *pro rata* basis.

We do not currently have an advertising council composed of franchisees that advises us on advertising policies. However, we may require you and our other franchisees to form an advisory board to provide advice and counsel regarding our use of Fund Contributions. The advisory board will function in an advisory capacity only and will not exercise authority over the Fund or over us.

E. Computer/Point-of-Sale System

To promote uniformity and quality in your operations and the services you render, we require you to use designated business management system software, currently Weave phone system, Jane which includes EMR, point of sale, and scheduling capabilities, and QuickBooks Online for accounting software (currently priced at $28 per month). MyEmma is used for email marketing.

We will be able to independently access all information that you store through the business management software, for which we will have administrative access rights. This means that we will be able to view and analyze information on your Franchised Clinic's revenues and expenses as well as identifying information regarding clients of your Franchised Clinic as collected for scheduling purposes, but we will not be able to independently view the treatment case histories of clients as stored in the EMR storage software. (Section 5).

We will require you to purchase and maintain at least three devices, two desktop or laptop

computers and one tablet, which meet our written specifications and have sufficient computing power and compatibility to operate the software programs identified above and maintain an active Internet connection and use of an Internet web browser such as Microsoft Internet Explorer, Safari, Mozilla Firefox, or Google Chrome. We estimate that the initial hardware cost will be $5,000 - $8,000, with upgrade costs as stated below. You are solely responsible for protecting from theft or misappropriation that data and information that you collect on your computers, through the use of "firewalls" and other information security methods. We do not otherwise have any standards or specifications for the type of hardware, ancillary software or cellular data provider that you use.

The business management software and EMR software providers will provide updates to their programs, and computer operating system software patches are typically provided without separate charge. Otherwise, you will need to pay the costs to purchase replacement computing devices or components thereof from time to time, to the extent necessary to continue to fully utilize the required business management and EMR software programs, and we estimate that you will need to spend approximately $2,500 - $3,500 every three years on hardware upgrades, updates and replacement equipment. However, we will not require you to adopt different business management software or EMR storage software or different computer hardware unless the Franchised Clinic(s) operated by our affiliates also are adopting such different software and/or hardware and incurring comparable costs. (Section 11.h.v.) There are no other contractual limitations on the frequency or cost of the obligation to remain current with our computer software and hardware requirements.

Neither we nor any of our affiliates are required to provide ongoing maintenance, repairs, upgrades or updates to your computer hardware or software. Except as required by their subscription agreements, no third-party provider of software is required to provide repairs, upgrades or updates to their software. The hardware that you purchase may be covered by certain manufacturer's warranties, but otherwise no third party is obligated to provide maintenance, repairs, upgrades or updates to your computer hardware. There are no required maintenance, repair, upgrade or update contracts for software or hardware, aside from paying monthly license fees for the Internet-based software, and to our knowledge there are no such optional contracts for maintaining, repairing, upgrading or updating your computer systems.

F. Training

You must attend and complete our initial "Owner Training Program" to our satisfaction, which your management staff may also attend. In addition to the Owner Training Program, your designated manager ("Designated Manager") must attend and successfully complete the Pre-Opening Training Program to our reasonable satisfaction before commencing operation of the Franchised Clinic. There is no fee for you to attend the Owner Training Program or the Pre-Opening Training Program, but if you are not the Designated Manager, then you must pay a fee for the Designated Manager or other individuals we approve to attend the training programs, which is $2,700 per participant per program.

The following is a summary of the owner training program and pre-opening training provided:

UNIT FRANCHISE
OWNER TRAINING PROGRAM

Subject	Hours of Classroom /Online Training	Hours of On-the-Job Training	Location
Structural Elements Introduction	1	0	Hagerstown, MD or designated location
The (se)® Model and Ecosystem	2	0	Hagerstown, MD, or designated location
Our Treatment Approach and Patient Experience Goals	2	0	Hagerstown, MD or designated location
Business Roadmap	1.5	0	Hagerstown, MD, or designated location
Site Selection	1.5	0	Hagerstown, MD, or designated location
Design and Construction	1.5	0	Hagerstown, MD, or designated location
Equipment and Retail	2	0	Hagerstown, MD, or designated location
Administrative Services Model and Recruitment	2.5	0	Hagerstown, MD, or designated location
Membership Offerings	2	0	Hagerstown, MD, or designated location
Business Operations and Best Practices	4	0	Hagerstown, MD, or designated location
Financial Management and Reporting	2	0	Hagerstown, MD, or designated location
Marketing	4	0	Hagerstown, MD, or designated location
Your Success Path	2	0	Hagerstown, MD, or designated location
Totals	28	0	

UNIT FRANCHISE
PRE - OPENING TRAINING PROGRAM

Subject	Hours of Classroom /Online Training	Hours of On-the-Job Training	Location
Pre-Opening Overview and Goal Setting	1	0	Hagerstown, MD or designated location
Pre-Sale Basics	1	0	Hagerstown, MD, or designated location
Marketing and Lead Generation	4	0	Hagerstown, MD or designated location
Sales Training	3	0	Hagerstown, MD, or designated location
The (se)® Patient Experience	2	4	Hagerstown, MD, or designated location
Staffing and Scheduling	2	4	Hagerstown, MD, or designated location
Software and Technology	1	8	Hagerstown, MD, or designated location
Daily Operations and Safety	2	16	Hagerstown, MD, or designated location
Quality Assurance Review	2	4	Hagerstown, MD, or designated location
Administrative Services Agreement and Obligations	2	0	Hagerstown, MD, or designated location
Reporting and Accounting	2	4	Hagerstown, MD, or designated location
Totals	22	40	Hagerstown, MD, or designated location

The hours devoted to each module are estimates and may vary based on how quickly trainees learn the material, their prior experience with the subject and scheduling. On-the-job training includes cross-training in all subject areas of the business. We may vary the length and content of the initial training program based upon the experience and skill level of the individual attending the initial training program.

You are responsible for all costs for your Designated Manager and other personnel to attend training, such as costs of travel, meals, accommodations and employees' salaries (if applicable). If you replace your Designated Manager, then that new person must attend and complete our initial franchise training program to our satisfaction.

Our primary instructors will be Douglas Bertram, L.Ac. and MTCM, and Jason Knicley, PT, DPT, MTC and CDNT. Mr. Bertram developed the Structural Elements system, has treated clients in acupuncture and related modalities since 2001, has provided services to clients at our affiliate Structural Elements LLC since 2013, and is actively involved in managing all phases of the flagship Structural Elements operation.

Mr. Knicley, who is the other Member of our company, has been the sole Member of Knicley SE, LLC since March 2016, and through that entity he has operated the Structural Elements Clinic in Urbana, Maryland since January 2018. He was employed by our affiliate Structural Elements, LLC as a physical therapist from September 2015 until December 2017.

Susan King Glosby, MBA, MSW, CFE will also provide training. As Vice President of Operations, she provides support and training to Unit Franchisees, Micro Franchisees, and is involved in managing the corporate owned location in Hagerstown, MD.

We may also offer one-day regional training sessions, in person or online, three times a year for refresher courses to our franchisees. We also intend to provide online materials and forums for franchisees to interact with us to better learn and shape the Structural Elements system. Your Designated Manager will be responsible for communicating new developments to your staff and incorporating updated standards in your Franchised Clinic.

We are not obligated to provide any additional training unless you request it and pay us $1,000 per half day of training, plus our trainer's travel and lodging expenses. However, if we determine that remedial training is necessary due to your failure to comply with our standards, we may require that your Designated Manager attend refresher training at our headquarters, or we may provide remedial training at your Franchised Clinic location and require you to pay us the fee stated above, plus expenses.

Two consecutive unexcused absences by your Franchised Clinic's Designated Owner or his/her designee from our mandatory franchisee meetings is a default under the franchise agreement. To cure the default, we may require your Designated Manager to attend all required meetings during the next 12-month period, and if that does not occur then we may terminate the franchise agreement.

Manuals

Our Manuals will be used as our primary instructional material in the initial franchise training program, along with the third-party software programs that you will use to run the business. Manuals means our confidential brand standards manuals as may be amended from time to time and may consist of one or more manuals as designated by us, containing our System standards, specifications and operating procedures relating to the development and operation of a Unit Franchise Business. We will loan you one copy of the Manuals, which you will receive at the appropriate time during the initial training in our offices. The Manuals also include alternative or supplemental means of communicating that information by other media, including bulletins, e-mails, videotapes, audiotapes, compact discs, computer diskettes and CDs.

A copy of the Manuals will be made available to you to review in our offices prior to your signing the Unit Franchise Agreement. You agree to keep your copy of the Manuals current. If there is a dispute relating to the contents of the Manuals, the then current version posted on our Intranet site will be controlling. The Manuals contain Confidential Information (defined below), and you agree not to copy any part of it or distribute it to anyone outside your Unit Franchise Business.

ITEM 12. TERRITORY

You will operate the Franchised Clinic from the Designated Area described in the Franchise Agreement. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The target Designated Area that we grant for a franchise contains a population of approximately 150,000, as determined from the most recently available census data, and will consist of one or more contiguous zip codes. (Sections 2.c.). We may alter the definition of the Designated Area to account for changes in

population density, but only if there has been a fifty percent (50%) increase in the population residing within the Designated Area, and any such altered definition shall not remove the zip code in which the Authorized Site is located. (Section 2.c.iii.) Continuation of territorial exclusivity does not depend on achievement of a certain sales volume, market penetration or other contingency, but you must pay the minimum monthly royalty amounts as described in Item 6 of this disclosure document to maintain your franchise rights. We retain all rights not expressly granted by the Franchise Agreement to you. For example, without obligation to you, we, our affiliates and our designees have the right to:

1. establish and operate, and license others to establish and operate, Clinics at and from any physical premises located outside the Designated Area, notwithstanding such Clinics' proximity to the Franchised Clinic, or the actual or threatened financial impact on the Unit Franchise Business;

2. establish and operate, and license others to establish and operate, Clinics at and from any physical premises located within or contiguous to sports facilities, corporate offices (or any other business premises) or campuses, and governmental, educational, or healthcare facilities, including military bases, airports or other transportation terminals, government offices or institutions, and educational institutions, or similar types of locations ("Captive Market Locations") within or outside the Designated Area, notwithstanding such Clinics' proximity to the Designated Area, the Franchised Clinic, or the actual or threatened financial impact on the Unit Franchise Business;

3. establish, acquire or operate, or license others to establish and operate, clinics or businesses under other systems or other Marks, which clinics or businesses may offer or sell services and products that are the same as or similar to the services and products offered from the Franchised Clinic, and which clinics or businesses may be located within or outside the Designated Area, notwithstanding such Clinics' or business' proximity to the Designated Area or to the Franchised Clinic, or the actual or threatened financial impact on the Unit Franchise Business;

4. establish, acquire or operate, or license others to establish and operate, clinics or businesses under systems or marks other than the System and the Marks, which clinics or businesses may offer or sell services or products that are the same as, or similar to, the services and products offered from the Franchised Clinic, and which clinics or businesses may be located within or outside the Designated Area, despite these clinics' or businesses' proximity to the Franchised Clinic or the actual or threatened financial impact on the Unit Franchise Business;

5. sell and distribute, directly or indirectly, or license others to sell and distribute any services, products or merchandise at and from any location (including any Captive Market Location) or to any purchaser (including sales made on the Internet); and

6. license others the right to use the Methods and the Marks from existing clinics within or outside the Designated Area.

For major endurance athletic events, we or our affiliate, Structural Elements, LLC, may host booths along the course and will invite you and other franchisees in the region to attend in order to build up brand recognition.

You may open a second location within your Designated Area with our approval. The same standards apply for our approval of a second location as identified in Item 11.A. of this disclosure document and pay the Additional Location Fee; in addition, we may deny approval if we deem the second location too close to another Structural Elements location. If you seek to relocate from your original Clinic location to another place within your territory, you must pay the Relocation Fee and apply for our approval of a

substitute location as identified in Item 11.A. All additional or substitute locations must be developed in accordance with the requirements applicable to opening the original location.

We do not offer rights of first refusal with regard to the operation of Structural Elements businesses.

You must focus your advertising and promotion of your Franchised Clinic to consumers and referral sources within the Designated Area, and you may not conduct direct marketing (including, but not limited to, door to door or telephone solicitation, traditional or electronic mail, Internet advertising, radio or television) to prospective customers or referral sources outside of your Designated Area except as part of a regional marketing cooperative sanctioned by us. However, clients may obtain services from any Clinic that they choose to patronize, regardless of where the client resides or works, and therefore certain other Structural Elements Clinics may receive patronage from clients who reside or work in your Territory.

We have the right to offer, ship, sell and provide products and services identified by the Marks within your Designated Area through any distribution channel or method, including the Internet, without compensation to you. As described in Item 1, we offer certain online training and electronic resources to qualified practitioners and fitness professionals on how to incorporate the Methods into their existing practices. In addition, in the future we may acquire, be acquired by, or merge with other companies who own, operate, franchise or license anywhere, even within the Designated Area, businesses operating under marks other than our Marks and that offer and provide orthopedic wellness services.

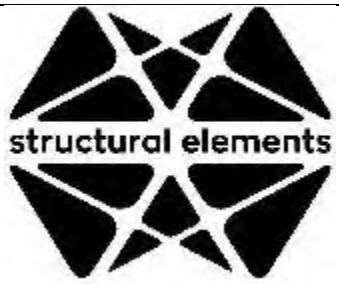
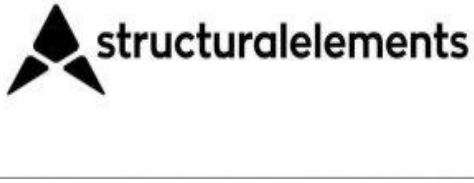
Development Agreement

If you enter into an Area Development Agreement, you will receive certain protected rights to develop more than one Structural Elements Unit Franchise Business within a designated geographic area (the "Territory") to be described in Exhibit A attached to the Area Development Agreement. You will not receive an exclusive Territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The size of the Territory will vary, depending on the number of Structural Elements Franchised Clinics you intend to open, the population density, and the demographics in the area in which you desire to operate. The Territory may be one or more counties or cities in rural areas and may be a portion of a metropolitan statistical area in heavily populated major cities. If you are in full compliance with the Area Development Agreement and any Franchise Agreement, we will not establish another franchised or company-owned Structural Elements Clinic in the Territory, except for those rights reserved in the Territory, which are the same as those rights reserved in a Designated Area and described above. If you do not comply with the Development Schedule and the Area Development Agreement, we may terminate the Area Development Agreement and grant individual or multiple unit franchises within the Territory to third parties. As described in Item 6 above, you may request an extension to the date by which you must open a Franchised Clinic under the Development Schedule (limited to the period of time we allow, not to exceed 6 months). The protections granted in the Territory are not contingent upon achieving a certain sales volume, market penetration or other requirements, and we will not alter or modify your territory during the term of your Area Development Agreement.

ITEM 13. TRADEMARKS

We grant our franchisees the right to operate Structural Elements businesses under the service mark "Structural Elements" and the logos shown on the cover page of this disclosure document. You may also use any other current or future Mark to operate your Franchised Clinic that we designate in writing. By Mark, we mean trade names, trademarks, service marks and logos used to identify Structural Elements businesses.

Structural Elements, LLC has obtained registration on the Principal Registrar of the USPTO the following list of trademarks and service marks:

Registration Number:	Trademark or Service Mark:	Registration Date:
4925973	(se)	3/29/2016
5110491	HUMAN PERFORMANCE REFINED	12/27/2016
5225701		6/20/2017
5225702		6/20/2017
5810795	STRUCTURAL ELEMENTS	7/23/2019

Structural Elements, LLC has filed all required affidavits in connection with the Marks.

Structural Elements, LLC has granted us the license and right throughout the United States to use the System and Marks in connection with the ownership and franchising of orthopedic wellness businesses, except in Washington County, Maryland. Our affiliate has promised not to engage in direct marketing of Structural Elements services under the name Structural Elements within the United States.

There are currently no effective material determinations of the United States Patent and Trademark Office, trademark trial and appeal board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation; or pending material litigation involving the Marks. There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

You will not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your Franchised Clinic. You may only use the Marks in accordance with our standards, operating procedures and specifications. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our and our affiliate's rights in the Marks. You may not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You may not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us of any apparent infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you may not communicate with any person other than us regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We may take whatever action we deem appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We can require you to modify or discontinue the use of any Mark and to use other trademarks or service marks. We will not be required to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. We are not obligated to reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to such proceeding. We have the right to control the defense and settlement of any such proceeding. Our reimbursement does not include your expenses for removing signage or discontinuing your use of any Mark. Our reimbursement also does not apply to any disputes where we challenge your use of a Mark. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel.

You must use the Marks as the sole trade identification of the Franchised Clinic. You may not use any Mark in connection with the sale of any unauthorized products or services, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law.

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the PTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not establish, create or operate an Internet site or website using any domain name containing the words “Structural Elements”, “SE”, “(se)”, “(SE)”, or any variation thereof without our prior written consent. We retain the sole right to create websites using the words “Structural Elements” as a domain name and any other domain names that reflect the Marks as we may designate in the Manuals.

There are no infringing or prior superior uses actually known to us that could materially affect the use of the Marks in this state or any other state in which the Franchised Clinic is to be located.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own and are not aware of any patents that are material to the franchise.

We own copyrights in the Manuals, our trade dress, marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Registrar of Copyrights and need not do so to protect them. You may use these items only as we specify while operating the Franchised Clinic and you must stop using them if we direct you to do so.

There are currently no effective determinations of the Copyright Office (Library of Congress) or any court regarding the copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

Our affiliate Structural Elements, LLC has developed certain "Confidential Information", including certain trade secrets, methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in operating orthopedic wellness businesses, and has provided us with a license to divulge such information in confidence to qualified franchisees, their owners and managers. We will provide our Confidential Information to you during training, in the Manuals and as a result of the assistance we furnish you during the term of the franchise. You may only use the Confidential Information for the purpose of operating your Franchised Clinic. You may only divulge Confidential Information to employees who must have access to it in order to operate the Franchised Clinic. You are responsible for enforcing the confidentiality provisions as to your employees.

All persons with an ownership interest in your Franchised Clinic must sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement.

You must promptly tell us when you learn about any unauthorized use of copyrighted information. We are not obligated to protect your rights to use our copyrighted materials. We have no obligation to defend you or indemnify you if you are sued for copyright infringement after using our advertising materials, menus or other written items. We may require you to modify or discontinue your use of any copyrighted materials at any time.

All ideas, concepts, techniques or materials concerning the Franchised Clinic, 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 our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

The Franchised Clinic must always be under the direct full-time supervision of a Designated Manager, which is you if you are an individual, or is an individual you select if you are a business entity. The Designated Manager is not required to be a licensed physical therapist, acupuncturist, chiropractor, or other professional. Your initial Designated Manager must attend and satisfactorily complete our Pre-Opening training program before opening the Franchised Clinic; that program is fully described in Item 11 of this document.

You must keep us informed at all times of the identity of your current Designated Manager, and immediately inform us if a Designated Manager is no longer employed by you. If the person you have employed as Designated Manager is terminated or otherwise ceases employment, and you do not employ another person who has previously completed our pre-opening training program, then you must promptly appoint a new Designated Manager and send him or her to our next scheduled initial training program. In the interim, you must designate an interim manager who has experience operating the Franchised Clinic and who is supervised by you.

While we strongly encourage you to provide your Designated Manager with some rights to benefit

from the success of your Franchised Clinic, your initial Designated Manager is not required to own any equity interest in the Franchisee Entity. However, after completion of the first complete year of the Franchised Clinic's operation, if monthly revenues of your Franchise have declined by 15 percent or more (as compared to the same months of operation in the previous year) for three consecutive months, we may require that an individual owning at least 25% of the Franchisee Entity become the Designated Manager.

As described in Item 14, your Designated Manager must sign nondisclosure and non-competition agreement the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce the agreements.

If you are a business entity, each person who owns a legal or beneficial interest of more than 20% in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Guaranty and Assumption of Obligations attached to the Franchise Agreement. Any person who owns 20% or less of Franchisee entity must sign a nondisclosure and non-competition agreement the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We do not require your spouse to sign a Guarantee or non-disclosure and confidentiality agreement if they are not involved in the business.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Clinic in strict conformity with the methods, standards and specifications in the Manuals and as we may require otherwise in writing, provided however that the Micro-Franchisees (and, if applicable, Area Representative) as Qualified Professionals must have discretion to use their professional judgment in providing treatment services to clients. You may not deviate from these standards, specifications and procedures without our written consent, except for those derogations in treatment protocols that a Micro-Franchisee as Qualified Professional believes is in the best interest of the client.

You must offer Structural Elements services to the general public. As we develop additional product or services lines, we will offer you the opportunity to train for and then implement the offering of those products to the public, and if you choose to offer those products then you must do so in conformance with our standards. You may not offer other services unless we have approved them in advance as an addition to the System.

From time to time, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based upon such factors as we determine, including test marketing, your qualifications, and regional or local differences.

We may periodically change the authorized products or services at all Structural Elements businesses. There are no limits on our right to do so. If we modify the System, you may be required to add or replace equipment and signs, and you may have to make improvements or modifications as necessary to maintain uniformity with our current standards and specifications.

Your Franchised Clinic must conform with all applicable laws and regulations and you must secure all governmental approvals for the operation of your Franchised Clinic.

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ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision		Section in the Franchise Agreement	Summary
a.	Length of the franchise term	Section 3.a.	The initial term is 10 years.
b.	Renewal or extension of the term	Section 3.b.	You may renew for 1 additional successive term of 10 years, subject to (c) below.
c.	Requirements for franchisee to renew or extend	Section 3.b.	You may obtain a successor Franchise Agreement from us if you: have given us written notice of your desire to renew not less than 6 months nor more than 12 months prior to expiration of the existing Agreement; continue to occupy the Authorized Site or a replacement facility approved by us during the new 10-year term; have, during the term of your Agreement, substantially complied with all material provisions; have timely satisfied all monetary obligations owed to use or our affiliate throughout the term of the Agreement; are not in default of any provision of this Agreement or any other agreement with us; have complied or agreed to comply with our then-current qualifications for new franchisees and training requirements; executed a general release with us, the current form of which is attached to this disclosure document as Exhibit D; pay us the Renewal Fee; and have executed our then-current form of Franchise Agreement. You may be asked to sign a contract with materially different terms and conditions than your original contract.
d.	Termination by franchisee	None	You may not terminate the Franchise Agreement.
e.	Termination by franchisor without cause	Sections 12.e and 16	We may terminate the Franchise Agreement in the event of a fundamental regulatory change. We may also terminate the Franchise Agreement if we determine that applicable laws in the state where the Franchised Clinic is located will render unenforceable any provision of this Agreement that we deem material. We must provide you 90 days written notice of such termination.

Provision		Section in the Franchise Agreement	Summary
f.	Termination by franchisor with cause	Section 15	We may terminate the Franchise Agreement either with or without a cure period for the reasons set forth in these Sections.
g.	"Cause" defined – curable defaults	Section 15.a.	You can avoid termination of the Franchise Agreement if you cure the following defaults within the following time periods: (i) 15 days after receiving our notice of termination for either failing to begin operation within 365 days of signing the Franchise Agreement, failing to operate the Franchised Clinic under supervision of an approved Designated Manager, or allowing any required insurance policies to lapse; (ii) 5 days after failing to make payments due us (including minimum royalties); or (iii) 30 days from receiving a notice of default for failure to comply with mandatory specifications in the Franchise Agreement or Manuals or breaches the Health Care Representations and Warranties. If the breach is of a nature which cannot reasonably be cured within the prescribed period and you are making a good faith effort to cure, we may provide you with additional time to complete the cure.
h.	"Cause" defined –non-curable defaults	Section 15.b.	The following defaults cannot be cured: make any material misrepresentations; the Franchised Clinic is not managed by an approved Designated Manager for a period of more than ninety (90) days; certain criminal or professional licensing administrative actions; commission of one or more acts that materially and detrimentally impairs or impacts the goodwill associated with any of our Marks; make any unauthorized use of our intellectual property; fail to abide by the covenants not to compete; abandonment of the franchise; unauthorized transfer; are adjudicated bankrupt (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.); become insolvent or file any action or petition for insolvency; fail to pay taxes owed or comply with other governmental requirements applicable to the Business within 30 days of receiving notice from us or a governmental agency; health or safety hazards that are not cured within 72 hours of notice; knowingly maintain false books or records or materially impede our audit of your books or records; termination of your

Provision		Section in the Franchise Agreement	Summary
			lease due to your default; termination of any other franchise agreement between us and you or your affiliate due to franchisee's default; or 3 or more noticed franchisee defaults during a 12 month period.
i.	Franchisee's obligations on termination/non-renewal	Section 17.	Stop using any Confidential Information, the System and the Marks; return the Manuals, Marks and all other Confidential Information; stop operating the Franchised Clinic under any name or in any manner that may give the general public the impression that you are connected with us; pay all sums owed to us including damages and costs incurred in enforcing the termination provisions of the Franchise Agreement; if requested, assign your tangible business assets and/or real property lease to us; cancel or assign to us any assumed names; as we require, either assign to us or cancel your telephone numbers, websites or other intangibles associated with the Marks; indemnify us against any claims arising from your operation of the Franchised Clinic; and, unless you purchase relief from these specific duties, cease all use of the Client Data for the formerly Franchised Clinic; and comply with the covenants not to compete (see subpart "r" below).
j.	Assignment of contract by franchisor	Section 13.	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k.	"Transfer" by franchisee - defined	Section 1.n.	"Transfer" includes any sale, gift, or other change in ownership of all or any part of the rights and obligations: (i) of the Franchise Agreement, (ii) of the Franchised Clinic, or (iii) of an ownership interest in the franchisee entity.
l.	Franchisor approval of transfer by franchisee	Section 14.a.	You may not transfer any interest in any of the items listed in (k) above without our prior written consent.
m	Conditions for franchisor's approval of transfer	Section 14.b.	Comply with our right of first refusal; satisfy all outstanding obligations relating to the Franchised Clinic and any other agreements between us and you or your affiliates as of the effective date of the transfer; execute a mutual general release; have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective franchisee

Provision		Section in the Franchise Agreement	Summary
			relating to the intended transfer, and we determine that the transfer terms will not be so burdensome as to adversely affect operation of the Business by the transferee; if you are financing the transferee's purchase, guarantee the transferee's full performance under the Franchise Agreement until its loan to you is paid in full; and payment of the applicable transfer fee. The transferee must satisfy us that it meets our management, business and financial standards, agree to make any refurbishments to the Franchised Clinic needed to comply with our current standards for new clinics; and all holders of a legal or beneficial interest of twenty percent or more in the transferee entity have agreed to be personally bound jointly and severally by all provisions of the Agreement for the remainder of its term.
n.	Franchisor's right of first refusal to acquire franchisee's business	Section 14.c.	We may match an offer for your Franchised Clinic or ownership interest in Franchisee.
o.	Franchisor's option to purchase franchisee's business	Section 17.k.	We may purchase your Franchised Clinic's tangible assets for their fair market value upon termination or expiration regardless of cause, and/or assume the lease for your Franchised Clinic's premises. However, we are not obligated to pay you any compensation to utilize the Business' Client Data after termination of our relationship with you.
p.	Death or disability of franchisee	Section 14.e.	Upon your death or disability, or that of your Principal Owners if you are a business entity, the Franchise Agreement or the controlling interest in the Franchisee Entity must be transferred to a party approved by us.
q.	Non-competition covenants during the term of the franchise	Section 12.	You and your affiliates shall not, either directly or indirectly, for yourselves, or through, on behalf of, or in conjunction with any persons, partnership, corporation or other business entity: (a) divert or attempt to divert any business or customer of any Clinic to any competitor and (b) except as we approve in writing, own, maintain, operate, engage in, or have any interest in any "Competitive Business." A Competitive Business is any business or enterprise offering physical therapy,

Provision		Section in the Franchise Agreement	Summary
			chiropractic, massage therapy, or acupuncture/dry needling services.
r.	Non-competition covenants after the franchise is terminated or expires	Sections 12.c., 12.d., and 17.g.	For 2 years after a permitted transfer or the termination or expiration of the Franchise Agreement, you and your affiliates are prohibited from either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, or corporation, or entity), owning, maintaining operating, engaging in, or having any interest in any Competitive Business which is, or is intended to be, located within a ten (10) mile radius of any Clinic.
s.	Modification of the agreement	Section 22.c. and 22.e.	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t.	Integration/merger clause	Section 22.g.	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document.
u.	Dispute resolution by mediation or arbitration	Section 19	Except to the extent that either party seeks temporary or preliminary injunctive or other equitable relief to enforce provisions of this Agreement, all disputes arising under the Franchise Agreement shall be submitted to binding arbitration in the county and state in which we maintain our principal place of business (currently Washington County, Maryland) (see the state addendum at Exhibit H).
v.	Choice of forum	Sections 19 and 20	You are consenting to the jurisdiction of the courts located in the county and state in which we maintain our principal place of business (currently Washington County, Maryland); however, all disputes shall be resolved through arbitration unless either party is seeking temporary or preliminary injunctive or other equitable relief to

Provision		Section in the Franchise Agreement	Summary
			enforce provisions of this Agreement.
w	Choice of law	Section 21.b.	The Franchise Agreement shall be governed by the laws of the state of Maryland (subject to state law), except that disputes over the Marks and Copyrighted Works will be governed by federal trademark and copyright law.

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

Provision	Section in Development Agreement	Summary
a. Length of the franchise term	Article 2(A)	Ends on the last day of the Development Schedule
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable
e. Termination by Mainstream without cause	Not Applicable	Not Applicable
f. Termination by Mainstream with cause	Article 12	We may terminate your Development Agreement only if you are in default.
g. "Cause" defined – curable defaults	Article 12(A)	You have 60 days to cure failure to meet development requirements, failure to comply with the Development Agreement; or failure to comply with any Franchise Agreement.

Provision	Section in Development Agreement	Summary
h. "Cause" defined – non-curable defaults	Article 12(B)	Failure on 3 or more occasions in any 12 months to comply with any provision, unauthorized assignment, material misrepresentation or omission in franchise application, conviction of or proof that you have committed a felony or other crime that harms trademarks, improper use or disclosure of confidential information, including the Manual, insolvency, unauthorized use of trademarks that injures goodwill, default which is not curable, or an immediate threat or danger to public health or safety resulting from construction, maintenance or operation of the Business, or Franchise Agreement terminates, or you terminate a franchise Agreement without cause. Termination of the Development Agreement does not allow Mainstream to terminate a Franchise Agreement, but termination of a Franchise Agreement allows Mainstream to terminate the Development Agreement.
i. Your obligations on termination/ non-renewal	Article 12(C)	Lose rights to open additional Businesses under agreement.
j. Assignment of the contract by Mainstream	Article 15(A)	There are no restrictions on our right to assign your Development Agreement.
k. "Transfer" by you – defined	Article 15(B)	Includes transfer of Development Agreement or ownership change.
l. Mainstream's approval of transfer by you	Article 15(B)	We have the right to approve all transfers of the Development Agreement but will not unreasonably withhold approval.
m. Conditions for Mainstream's approval of transfer	Article 15(B)	Good standing under the Development Agreement and Franchise Agreements, all amounts owed paid, transferee-franchisee qualifies, transferee-franchisee signs current form of multiple unit development agreement, you pay the transfer feet, you must sign a general release; agree to comply with post-term covenants; and all Franchise Agreements are also assigned.

Provision	Section in Development Agreement	Summary
n. Mainstream's right of first refusal to acquire your Business	Not Applicable	Not Applicable
o. Mainstream's option to purchase your Business	Not Applicable	Not Applicable
p. Your death or disability	Not Applicable	Not Applicable
q. Noncompetition covenants during the term of the franchise	Article 14(A)	No involvement in a business that is in any way competitive with (including, but not limited to, over the internet) or similar to a Business.
r. Noncompetition covenants after the franchise is terminated or expires	Article 14(B)	No involvements in a business that is competitive with or similar to a Business for two years within 25 miles of any Business you operated, within 25 miles of a Mainstream Boutique Business, or over the internet.
s. Modification of the agreement	Article 17(I)	No modifications generally, except in writing. We may modify the Manual, trademarks, system and goods/services to be offered to your Business.
t. Integration/ merger clauses	Article 17(G)	Only the terms of the Development Agreement (including exhibits) are binding (subject to state law). Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 16(A)	Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes will be subject to binding arbitration in Minneapolis, Minnesota.
v. Choice of forum	Article 12.2	Litigation not subject to arbitration must be in court with jurisdiction over Hennepin County, Minnesota (subject to state law).
w. Choice of law	Article 12.1	Apply law of state where Territory is located

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 Susan King Glosby, 8001 Forbes Place, #211, Springfield, Virginia 22151, Telephone: (571) 212-2299, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1

Systemwide Outlet Summary[1]
For years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	2	2	0
	2024	2	2	0
	2025	2	2	0
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	3	3	0
	2024	3	3	0
	2025	3	3	0

Table 2

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

State	Year	Number of Transfers
Wisconsin	**2023**	**0**

State	Year	Number of Transfers
	2024	**0**
	2025	**0**
Total	**2023**	**0**
	2024	**0**
	2025	**0**

Table 3

Status of Franchised Outlets
For years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Maryland	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Virginia	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
Wisconsin	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Totals	**2023**	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**0**	**2**

Table 4

Status of Company-Owned Outlets
For years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Maryland	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Virginia	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Totals	**2023**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**1**

Table 5

Projected Openings as of December 31, 2025 for 2026

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Maryland	0	1	0
North Carolina	0	3	0
Virginia	0	3	0
Totals	0	9	0

Notes for Charts in Item 20

1. The Systemwide "Outlet" Summary lists all franchised and company-owned Clinics in the System. The names, addresses and telephone numbers of all Unit Franchisees as of the date of this disclosure document, are listed in Exhibit B.

2. As of the issuance date of this disclosure document, this Clinic is closed pending relocation of the Clinic premises.

There are no franchisees who have had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently

completed fiscal year. There are no franchisees who have not communicated with us within 10 weeks of the issuance date of this disclosure document.

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

During the last three fiscal years, no franchisees have signed provisions restricting their ability to speak openly about their experience with Structural Elements.

There are no trademark-specific franchisee organizations associated with the franchise system.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit F are our audited financial statements for the period ended December 31, 2025, our balance sheet as of December 31, 2025, December 31, 2024, and December 31, 2023, and the related statements of income, members' equity and cash flows for the years then ended.

Our fiscal year end is December 31 of each year.

ITEM 22. CONTRACTS

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

Franchise Agreement (and Exhibits)	Exhibit C
Form of General Release	Exhibit D
Franchisee Compliance Certification	Exhibit G
State-Specific Addenda	Exhibit H
Area Development Agreement	Exhibit I

ITEM 23. RECEIPTS

The last two pages of this disclosure document 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 ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Insurance Commissioner North Dakota Insurance & Securities Department	600 East Boulevard Avenue Bismarck, ND 58505 701-328-2910
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
		360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

EXHIBIT B
FRANCHISEE LIST

CURRENT FRANCHISEES

Below is a list of our Franchisees as of December 31, 2025.

1. Kevan Creighton, 4529 N. Oakland Ave, Shorewood, WI 53211
   Telephone Number: 414-539-4206

2. Jason Knicley, 3540 Sugarloaf Parkway, Ste D-03, Frederick, MD 21704
   Telephone Number: 240-341-2198

FORMER FRANCHISEES

Below is a list of our Former Franchisees as of December 31, 2025.

None

EXHIBIT C
FRANCHISE AGREEMENT

UNIT FRANCHISE AGREEMENT

between

Structural Elements Franchising, LLC

and

_____

_____

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Exhibit I – Franchisee Information
Exhibit II – Option for Assignment of Lease
Exhibit III – Non-Solicitation, Non-Compete and Non-Disclosure Agreement
Exhibit IV – Form of Administrative Services and Lease Agreement
Exhibit V – Subcontractor Business Associate Agreement
Exhibit VI – Guarantee, Indemnification and Acknowledgment
Exhibit VII – Telephone Assignment Agreement

STRUCTURAL ELEMENTS FRANCHISING, LLC
UNIT FRANCHISE AGREEMENT

This Unit Franchise Agreement ("**Agreement**") is made and entered into on this _____ day of __ _____, 20___ ("**Effective Date**"), by and between Structural Elements Franchising, LLC, a Maryland limited liability company with principal offices located at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742 ("**SEF**"); and _____ _____ a [resident of] [corporation organized in] [limited liability company organized in] _____ and having offices at _____ _____("**Franchisee**").

BACKGROUND

A. SEF, as the result of the expenditure of significant time, skill, effort and money, has developed a distinctive system (the "**System**") consisting of a multi-tiered business format and methodology for establishing and operating orthopedic wellness centers (the "**Clinics**") that are identified by the Marks (defined below) and operate under the System and/or for providing specialized therapeutic treatments at or from the Clinics, using the Marks.

B. The distinguishing characteristics of the System include, among other things; orthopedic and healthcare services utilizing a blend of Eastern and Western treatment modalities to promote whole-body wellness, longevity, and performance, which may include manual therapy, soft tissue work, acupuncture/dry needling, exercise and recovery services, lab tests, health coaching, physician services and other SEF-approved modalities (the "**Methods**"), equipment layout and signage, distinctive interior and exterior design, décor, color scheme and furnishings, fixtures and other trade dress elements; proprietary products; standards, specifications, policies and procedures for management and operations; quality, distinctiveness and uniformity of services and products; standards, specifications, and procedures for customer, lead, inventory, sales and financial management and control; training and assistance; and advertising, marketing and promotional programs all as more particularly described and designated in the Manuals (defined below) and all of which SEF may change, improve, and further develop at its option from time to time.

C. SEF identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin that have been licensed to SEF by its affiliate, including the name "**Structural Elements**" and such other trade names, service marks and trademarks as are now designated (and may hereinafter be designated by SEF or its affiliate in writing) for use in connection with the System (the "**Marks**"). SEF and its affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service.

D. The System is designed to facilitate the operation of a multi-tiered franchise model consisting of unit franchisees, area representatives that serve as master practitioners and micro-franchisees that serve as practitioners as described below.

E. Under the unit franchise model, SEF grants to qualified persons ("**Unit Franchisees**"), pursuant to a unit franchise agreement (the "**Unit Franchise Agreement**") the right to: (i) establish, own and operate a franchised Clinic ("**Franchised Clinic**") which will also house Micro-Franchisees as described below (the "**Unit Franchise Business**").

F. Under the area representative model for practitioners, SEF grants to qualified persons ("**Area Representatives**"), pursuant to an area representative agreement (the "**Area Representative Agreement**") the right to: (i) solicit and recruit prospective Micro-Franchisees, (ii) train Unit Franchisees and Micro-Franchisees in the Methods, and (iii) provide the Methods to customers (the "**Area Representative Business**").

G. Under the micro-franchise model for practitioners, SEF grants to qualified persons ("**Micro-Franchisees**"), pursuant to a micro-franchise agreement (the "**Micro-Franchise Agreement**") the right to provide the Methods to customers, at or from a Franchised Clinic (the "**Micro-Franchise Business**"). (Together, each of the businesses established and operating under the System and described in these recitals are defined herein as the "**SEF Businesses**.")

H. The SEF Businesses will generally consist of Clinics that operate under the System, utilize the Methods and are identified by the Marks and have all forms of facility licensure. The SEF Businesses will also consist of practitioners that operate under the System and the Marks and utilize the Methods. A practitioner may be required under state law to offer services of a Qualified Professional at a Clinic. "**Qualified Professional**" means a person who is legally qualified and licensed under state law to perform chiropractic, physical therapy, massage therapy, acupuncture/dry needling, personal training or other wellness services in the state or territory in which the particular Clinic is located.

I. Franchisee desires to obtain the right to develop and operate a Unit Franchise Business as described in this Agreement.

NOW, THEREFORE, for and in consideration of the foregoing premises and the covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SEF and Franchisee hereby agree as follows:

1. **Definitions.** For purposes of this Agreement, when any of the following words or phrases begins with a capital letter, it has the meaning set forth in this Section 1:

    a. **Client Data**. "**Client Data**" means all data collected at or through the Franchised Clinic regarding actual or potential clients of SEF and/or Franchisee, including, but not limited to, names of clients, addresses, phone numbers, email addresses, Social Security numbers, dates of birth and payment information. Client Data includes, but is not limited to, "Protected Health Information," which means information concerning a client's past, present or future physical or mental health or condition, the provision of health care to the client, or •the past, present, or future payment for the provision of care to the client, and which information identifies the client by name or by a common identifier such as Social Security Number or driver's license number.

    b. **Confidential Information.** "**Confidential Information**" means all Client Data and all information disclosed by SEF to the Franchisee in the course of preparing to perform or performing under this Agreement, including, but not limited to, the System, any Trade Secret, related documentation, specifications, and training materials, all other methods for establishing, operating and promoting the Franchised Clinic pursuant to SEF's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, the Manuals, client lists and data, ideas, research and development, and such other information as may be further developed periodically by SEF or identified to Franchisee by SEF as confidential. Except with regard to Client Data and similar information regarding clients disclosed by SEF to the Franchisee through training programs, "Confidential Information" shall not include

information that the Franchisee can establish, by competent proof, (i) was known to the public prior to its disclosure to the Franchisee, or has become known to the public through no fault of the Franchisee; or (ii) was, prior to disclosure by SEF, disclosed to the Franchisee by a third party having a lawful right to make such disclosure without limitation on disclosure.

c. **Copyrighted Works.** "**Copyrighted Works**" means any copyrighted or copyrightable name, item, material, book, electronic book, software or other thing that SEF or Related Parties of SEF owns or may develop from time to time and that SEF authorizes Franchisee to use in the Franchised Clinic, which may include the Manuals, forms, reports, certain advertising and promotional materials, books, electronic books, posters, signs, computer software and any translation or paraphrasing of any of these items.

d. **E-Materials.** "**E-Materials**" means SEF's proprietary training materials, and other electronic-based or electronically-delivered information and forums that SEF owns, administers or licenses from third parties that SEF may, in its sole discretion, introduce into the System or make available to Franchisee. E-Materials include online forums for franchisees to interact and discuss the SEF System.

e. **E-Problem.** "**E-Problem**" means any problem, malfunction, failure of operation or transmission, or inappropriate operation of any duration and severity that may occur with the E-Materials and supporting utilities, SEF's extranet site(s) or online application(s), any software SEF provides or recommends, or any computer system or program that Franchisee uses, including any computer with which such software or technology is, or may be, operating at any location, including the Franchised Clinic. Such problem, malfunction, failure of operation or transmission, or inappropriate operation may be due to any reason, including email, approved or unapproved application software, third party software or other interaction, insufficient computer memory or other capacity-related issues, computer viruses and worms, computer and software infections and corruptions, security threats, spyware, malware, scams, identity theft, user or administrator error, browser or software hijacking, hacker access, malicious activity, computer and technology breakdowns, power and communication line disruptions and failures, Internet and Internet access disruptions and failures, Internet content disruptions and failures, data-related problems, and attacks and disruptions by intruders.

f. **Gross Receipts.** "**Gross Receipt**s" means the aggregate of all revenue (including, without limitation, revenue from administrative service agreement fees) that Franchisee receives at the Franchised Clinic or from providing services or goods that SEF implements as a standard or optional part of the offerings at Clinics, as received from all sources whether by cash, check, debit, credit, barter transaction, virtual currency or otherwise, plus all proceeds from any business interruption insurance, but excluding all refunds made in good faith and any sales and equivalent taxes which are collected by Franchisee for or on behalf of any governmental taxing authority.

g. **Manuals.** "**Manuals**" means the written policies, procedures, specifications and recommendations that SEF will lend or communicate to Franchisee, or authorize Franchisee to use, during the term of this Agreement and that contains information, forms and requirements for the establishment and operation of the Franchised Clinic and for use of the Marks and the System. Any amendment by SEF to the information, forms and requirements for the establishment and operation of the Clinic and for use of the Marks and

the System, either through written or electronic form, shall be automatically incorporated into the Manuals.

h. **Permanent Disability.** "**Permanent Disability**" means a condition causing Franchisee or Franchisee's Principal Owners to be unable to actively and meaningfully participate in the operation and management of the Franchised Clinic for any reason for a period of at least three (3) consecutive calendar months. The phrase "Permanently Disabled" shall be interpreted in accordance with this definition.

i. **Principal Owner.** "**Principal Owner**" means the Franchisee, if the Franchisee is an individual, or if Franchisee is a corporation, limited liability company, partnership, or limited liability partnership, it means each principal of Franchisee with an equity or membership ownership interest in Franchisee.

j. **Related Party.** "**Related Party**" or "**Related Parties**" means people and companies affiliated with SEF or Franchisee, as the context indicates, including: owners, general partners, limited partners, shareholders, members or agents, owning a Substantial Interest in SEF or in Franchisee.

k. **Substantial Interest.** "**Substantial Interest**" means the right to twenty percent (20%) or more of the capital or earnings of a partnership or limited liability company or, alternatively, ownership of twenty percent (20%) or more of the voting stock of a corporation.

l. **Trade Secret**. "**Trade Secret**" means information including but not limited to the Methods, technical or non-technical data, compilations, programs, methods, techniques, processes, financial data, financial plans or lists of actual or potential clients which derives economic value, actual or potential, from not being generally known to, and not readily ascertainable by proper means by, other persons or entities who can obtain economic value from its disclosure or use.

m. **Transfer.** "**Transfer**" means any sale, gift, or other change in ownership of all or any part of the rights and obligations: (i) of this Agreement, (ii) of the Franchised Clinic, or (iii) of an ownership interest in Franchisee of a magnitude at least as great as that described in this paragraph. If Franchisee is a partnership or limited liability company, then one or more transactions (regardless of whether or not they are related) in which there is a cumulative change in the rights to a Substantial Interest of Franchisee's capital or profits will be considered to be a Transfer; if Franchisee is a corporation, then one or more transactions (regardless of whether or not they are related) in which there is a cumulative change in beneficial ownership of a Substantial Interest of Franchisee's voting stock will be considered to be a Transfer.

n. **Website.** "**Website**" means SEF's website, www.structuralelements.com, all subpages thereto and any substitute or additional websites that SEF designates or prescribes.

2. Grant of Franchise.

a. **Grant.** SEF hereby grants to Franchisee the right (and Franchisee hereby accepts the obligation), pursuant to the terms and conditions of this Agreement only within the Designated Area (defined below) and only at and from a physical premises within the Designated Area, to establish and operate a Unit Franchise Business. Subject to the

conditions described in this Agreement, Franchisee agrees to provide designated space within the Franchised Clinic to one or more Micro-Franchisees and to provide each Micro-Franchisee with the administrative and other support services designated or prescribed by SEF. Franchisee acknowledges and agrees that SEF may require Franchisee to provide treatment room space within the Franchised Clinic to an Area Representative and to provide the Area Representative with the administrative and other support services designated or prescribed by SEF. Accordingly, Franchisee agrees that references to "Micro-Franchisee" as used in this Agreement shall also include and refer to an Area Representative.

b. **Authorized Site.** Unless Franchisee has secured a site acceptable to SEF prior to the Effective Date, Franchisee must secure, within six (6) calendar months from the Effective Date, a location within the Designated Area that is approved by SEF for the conduct of the Franchised Clinic. SEF may require Franchisee to work with a designated third party to assist in identifying the proposed site. SEF may in its sole discretion extend such period if it determines that Franchisee has consistently made diligent efforts to find a location.

   i. The proposed site must meet SEF's general criteria for facilities, including, but not limited to: (1) at least 4,000 to 7,000 square footage of indoor space; and (2) any other reasonable requirement as requested by SEF. Without limiting the foregoing, in the event that Franchisee will operate from a proposed site pursuant to a lease agreement, SEF may condition its approval on the lease containing the option, upon default, termination or expiration of this Agreement or upon default, termination or expiration of the lease, and upon notice to lessor, for SEF to assume all of Franchisee's rights and obligations under the lease term pursuant to an Option for Assignment of Lease that is substantially in the form attached hereto as Exhibit II.

   ii. Franchisee is responsible for ensuring that any proposed site meets applicable facility licensing, building, environmental, hazardous waste disposal, utility, health, sanitation, business and related license or permitting requirements under state law. Franchisee warrants and represents that any such location will so comply and will produce documentation of the same to SEF upon SEF's request.

   iii. SEF will inform Franchisee within thirty (30) days of receiving all necessary information as to whether the proposed site will be approved, which approval SEF may grant, withhold or condition in its reasonable business judgment.

   iv. Upon SEF's approval of the proposed site, such address shall be listed in Exhibit I to this Agreement (the "**Authorized Site**"), and Franchisee will conduct all management and administration of the Franchised Clinic solely at or from the Authorized Site.

   v. All records relating to the operation of the Franchised Clinic must be maintained at the Authorized Site throughout the term of this Agreement, provided that all client information is maintained in accordance with applicable federal and state laws regulating the maintenance of such data.

   vi. Franchisee may not relocate the Authorized Site without SEF's prior written consent and approval that the proposed relocation meets SEF's general criteria for facilities in accordance with this Agreement and the Manuals. The fee for

relocation is twenty-five percent (25%) of the then-current Initial Franchise Fee and is due upon signing a lease or purchase agreement for the new Authorized Site.

vii. SEF's review and approval of any proposed site shall not be deemed or construed as an implication, warranty or guarantee that Franchisee will be successful operating from that location.

viii. If Franchisee fails to secure a site that SEF has approved within six (6) calendar months of the Effective Date, then SEF shall have the right (but not the obligation) to terminate this Agreement, and if SEF chooses to so terminate then SEF will refund one-half of the Initial Franchisee Fee to Franchisee in exchange for Franchisee executing a general release in SEF's favor.

c. **Designated Area.** The Designated Area (the "**Designated Area**") shall mean the non-exclusive territory described in Exhibit I to this Agreement subject to the following conditions:

i. Except as otherwise specifically provided herein, for so long as Franchisee is in full compliance with this Agreement, SEF will not, during the term of this Agreement, operate or license others to operate a Franchised Clinic at a physical premises located within the Designated Area. SEF retains all other rights not expressly granted to Franchisee by this Agreement. Except as otherwise specifically provided herein, SEF shall have the right (among others) on any terms and conditions SEF deems advisable, and without granting Franchisee any rights therein, to:

1. establish and operate, and license others to establish and operate, Clinics at and from any physical premises located outside the Designated Area, notwithstanding such Clinics' proximity to the Franchised Clinic, or the actual or threatened financial impact on the Unit Franchise Business;

2. establish and operate, and license others to establish and operate, Clinics at and from any physical premises located within or contiguous to sports facilities, corporate offices (or any other business premises) or campuses, and governmental, educational, or healthcare facilities, including military bases, airports or other transportation terminals, government offices or institutions, and educational institutions, or similar types of locations ("**Captive Market Locations**") within or outside the Designated Area, notwithstanding such Clinics' proximity to the Designated Area, the Franchised Clinic, or the actual or threatened financial impact on the Unit Franchise Business;

3. establish, acquire or operate, or license others to establish and operate, clinics or businesses under systems or marks other than the System and the Marks, which clinics or businesses may offer or sell services or products that are the same as, or similar to, the services and products offered from the Franchised Clinic, and which clinics or businesses may be located within or outside the Designated Area, despite these clinics' or businesses' proximity to the Franchised Clinic or the actual or threatened financial impact on the Unit Franchise Business. Franchisee acknowledges and agrees that SEF or its Related Parties may be acquired

by another business or system that operates and/or franchises clinics that are the same as or similar to the Franchised Clinic;

4. sell and distribute, directly or indirectly, or license others to sell and distribute any services, products or merchandise at and from any location (including any Captive Market Location) or to any purchaser (including sales made on the Internet); and

5. license others the right to use the Methods and the Marks from existing clinics within or outside the Designated Area.

ii. Franchisee may not advertise, market or solicit prospective clients for services outside of the Designated Area.

iii. SEF may alter the definition of the Designated Area to account for changes in population density, but only if the population residing within the Designated Area increases by at least fifty percent (50%). Any such altered definition shall not remove the zip code in which the Authorized Site is located.

iv. Franchisee may open one or more additional Franchised Clinics within the Designated Area, provided that (a) SEF approves such an additional location after Franchisee seeks approval pursuant to Section 2.b., which approval decision will also be based, among other things, on consideration of the proximity of such additional location to other Clinics located inside and outside of the Designated Area, and (b) Franchisee pays an additional location lee equal to seventy-five percent (75%) of SEF's then-current Initial Franchise Fee (the "**Additional Location Fee**"), which fee is due upon signing a lease or purchase agreement for such additional authorized site.

d. **Administrative Services Agreement**. If Franchisee and the Micro-Franchisee are two different business entities or individuals, Franchisee shall offer to provide to Micro-Franchisees that have signed franchise agreements for the operation of Micro-Franchise Businesses in the Designated Area, shared or designed space in the Franchised Clinic as follows:

i. Franchisee shall enter into an Administrative Services Agreement ("**Administrative Services Agreement**") in a form approved by SEF for any Micro-Franchise Business to be housed in the Franchised Clinic. Franchisee acknowledges and agrees that some states have minimum coverage requirements for professional liability insurance, including for services that may be offered by the Micro-Franchisees working at such businesses. The Administrative Services Agreement (and the Unit Franchise Agreement and Micro-Franchise Agreement) will provide that Micro-Franchisee is responsible for consulting with its own insurance agents, attorneys and other insurance advisors to determine the level of insurance protection the Micro-Franchise Business needs and desires, and for which coverage is necessary or warranted on behalf of the Qualified Professional providing services on behalf of the Micro-Franchise Business, in addition to the coverage and limits required by SEF under those Agreements or specified in the Manuals. At a minimum, however, Franchisee will ensure that each Micro-Franchisee will maintain professional liability insurance with such minimum coverage levels as may be required under state law or, if state law does not require

minimum coverage amounts, at the amount of at least One Million Dollars ($1,000,000) per occurrence and Three Million Dollars ($3,000,000) in the aggregate on behalf of each individual who is a Qualified Professional at the Franchised Clinic. Such insurance will be either occurrence or claims made with an extended period reporting option. Any additional requirements as to Franchisee's professional liability insurance will be as set forth in the Manuals.

ii. SEF must approve each Administrative Services Agreement between Franchisee and each Micro-Franchisee prior to the parties' execution of the agreement.

iii. The Administrative Services Agreement shall require, among other things that: (i) each Micro-Franchisee comply with the terms of their franchise agreements with SEF, (ii) a default by the Micro-Franchisee under the franchise agreement or Administrative Services Agreement shall also be deemed a default under their Administrative Services Agreement or franchise agreement, (iii) the agreement term is co-terminus with the term of the applicable Micro-Franchise Agreement, and (iv) SEF be designated by the parties as a third-party beneficiary of the agreement.

iv. Franchisee shall not enter into an Administrative Services Agreement with any prospective Micro-Franchisee prior to the Micro-Franchisee's entry into a franchise agreement with SEF.

v. Before Franchisee enters into an Administrative Services Agreement, Franchisee is required to ensure that the Micro-Franchisee complies with the following requirements:

1. The Micro-Franchisee may be required to qualify as a professional firm, professional corporation or similar type of corporate entity organized and permitted, under applicable provisions of state law, to operate a health care clinic and provide the services and products to clients that constitute the Methods, and to be owned by, employ or have independent contractor relationships with Qualified Professionals. The Micro-Franchisee will be obligated in the Administrative Services Agreement or Micro-Franchise Agreement to perform such actions as are necessary to obtain such qualifications and to warrant and represent compliance with the same.

2. While Franchisee will provide certain business and management support and decisions for the Micro-Franchise Business located in the Franchised Clinic pursuant to the Administrative Services Agreement, each Micro-Franchisee, as applicable, will at all times be free, in its sole discretion, and solely responsible for, the exercise of professional judgment on behalf of patients, as required under state law for the Qualified Professionals that practice in the Franchised Clinic. No provision of this Agreement permits SEF to control or direct, or permits Franchisee to control or direct, any Micro-Franchisee (or its Qualified Professional) in the exercise of professional judgment in the practice of their regulated disciplines at the Franchised Clinic.

3. Each Micro-Franchisee shall have complete control over, and is fully responsible for, all aspects of the practice of professional health care or

healing arts services provided at or from the Franchised Clinic, including the selection of inventory and medical equipment, coding and billing procedures, collection of patient financial responsibility, decisions regarding any patient's need for referral to other health care practitioners, the use of laboratories, the necessity for and selection of diagnostic tests, obtaining informed consent from patients, the disposition of treatment records and training and supervision of licensed, registered or certified practice extenders or other employees or agents involved in the delivery of professional health care or healing arts services by the Micro-Franchisees.

4. The Franchised Clinic shall not be used for any purpose other than the operation of the Unit Franchise Business and Franchisee shall not lease space within any Franchised Clinic to, or otherwise allow third parties to operate, any trade or business from the Franchised Clinic without SEF's prior written consent.

5. Franchisee is not permitted to refer patients to the Micro-Franchisee (or its respective Qualified Professional or the Micro-Franchise Business), working in the same capacity under the payment terms and space usage parameters outlined in the current Administrative Services Agreement.

e. **Solicitations.** Franchisee recognizes that all Clinics may accept all clients regardless of home address, and that they may also accept clients who live in the designated area of another Unit Franchisee. SEF may resolve, at its option, conflicts between Franchisee and another Structural Elements franchisee concerning marketing efforts that may infringe the boundaries of the Designated Area or the other franchisee's designated area. Such resolution may involve joint advertising, a rotation system of client referral or other measures intended to maximize the goodwill of the System with clients and referral sources.

f. **Rights Reserved.** SEF and its Related Parties reserve all rights in the Marks, the System and all such related property not expressly granted to Franchisee under this Agreement.

3. Term and Successor Agreements.

a. **Initial Term.** The term of the franchise will begin on the Effective Date and, unless otherwise terminated in accordance herewith, will continue for a period of ten (10) years (the "**Initial Term**") thereafter.

b. **Successor Agreement.** Franchisee will have the right to continue the franchise for one additional successive ten (10) year term, provided that the following conditions are fulfilled prior to the expiration of the Initial Term:

i. Franchisee has notified SEF in writing of Franchisee's desire to renew at least six (6), but not more than twelve (12), calendar months prior to the expiration of the Initial Term;

ii. Franchisee will continue to occupy, during the new 10-year term, either the Authorized Site or a replacement facility approved by SEF in accordance with Section 2.b. of this Agreement.

iii. Franchisee and Franchisee's Related Parties are not in default of this Agreement when Franchisee's notice of its desire to renew is given, do not become in default prior to the expiration of the Initial Term, and Franchisee and its Related Parties have, in SEF's judgment, faithfully performed their obligations under this Agreement and all other agreements with SEF or its Related Party throughout the terms of such Agreements;

iv. Franchisee and Franchisee's Related Parties have timely satisfied all monetary obligations owed to SEF or SEF's Related Parties throughout the Initial Term;

v. Franchisee has complied, or agreed to comply, with SEF's then-current qualifications for new franchisees and training requirements;

vi. Not less than ninety (90) days before the expiration of the Initial Term, Franchisee and each of its then-current Related Parties have signed SEF's then-current form of franchise agreement that it then offers to new franchisees or, if SEF has ceased offering new franchises, to renewing franchisees, modified as necessary to reflect the fact that the agreement is for a renewal franchise (a "**Successor Agreement**"), and, in lieu of payment of the Initial Franchise Fee (defined below) due thereunder, paid SEF a Renewal Fee in an amount equal to twenty-five (25%) of SEF's then-current Initial Franchise Fee (the "**Renewal Fee**"). Such Successor Agreement will supersede the then-current franchise agreement between Franchisee and SEF, and may include materially different terms from those contained in this Agreement; however, the Designated Area will remain the same as in this Agreement (subject to adjustment by SEF, at its option, due to the population growth described in Section 2.c.iii.), and the Royalty Fee (defined below) will be no greater than Royalty Fees imposed on similarly-situated renewing franchisees; and

vii. Franchisee and any of Franchisee's Related Parties that are parties to the expiring franchise agreement between Franchisee and SEF (including any exhibits thereto) have signed a general release, to the extent permitted by applicable law and in a form satisfactory to SEF, with respect to all claims or potential claims against SEF or its Related Parties arising prior to the date of renewal.

c. **Holding Over After Expiration.** Franchisee will have no right to continue to operate the Franchised Clinic after expiration of this Agreement unless Franchisee has entered into a Successor Agreement as described in Section 3.b. herein. If Franchisee continues to operate the Franchised Clinic after the end of the Initial Term as the case may be, and SEF accepts continuing fee payments from Franchisee and does not act to sever the business relationship between the parties, then the terms of this Agreement will continue to apply on a "month to month basis," meaning that either party may terminate the business relationship without cause on 30 days' written notice to the other party and the post-termination obligations of the parties will apply from the date that the "month to month" relationship terminates.

4. Payments by Franchisee; Late Payment.

a. **Initial Franchise Fee.** Franchisee agrees to pay SEF an initial franchise fee in the amount of Sixty-Five Thousand Dollars ($65,000) (the "**Initial Franchise Fee**") upon execution of this Agreement. Franchisee acknowledges that the Initial Franchise Fee represents payment for the initial grant of the Franchise rights and license granted herein,

and shall be fully-earned by SEF upon execution of this Agreement and non-refundable in consideration of the administrative and other expenses incurred by SEF in granting this franchise and for SEF's lost or deferred opportunity to offer the rights to this franchise to others. This fee is non-negotiable and due in full at the time of signing this Agreement.

b. **Manager Training Fee**. There is no fee for Franchisee to attend the Owner Training Program or Pre-Opening Training Program, but Franchisee agrees to pay SEF a training fee of $2,700 for any other participants in the Owner Training Program or Pre-Opening Training Program described in Section 6.a.

c. **Royalty Fees.** Franchisee agrees to pay SEF royalty fees on the tenth (10th) of each calendar month in an amount equal to eight percent (8%) of Gross Receipts for the preceding calendar month (the "**Standard Royalty Fee**"). The foregoing notwithstanding, Franchisee agrees to pay a minimum monthly royalty fee of $500 per month to SEF in the event that such fee is greater than the Standard Royalty Fee for any complete calendar month during the term of this Agreement (the "**Minimum Monthly Royalty**"). The Standard Royalty Fee and the Minimum Royalty Fee are referred to herein in this Agreement as the "**Royalty Fees**." The parties have concluded that the Royalty Fees are a commercially reasonable reflection of the value of services SEF or its designees provide to Franchisee that are not otherwise described by the fees described in this section.

d. **Inventory Purchases**. Franchisee shall purchase initial and ongoing Inventory (defined in Section 11.i) from SEF and/or approved suppliers as designated or prescribed by SEF in the Manuals or otherwise in writing.

e. **Brand Building Contribution.** When the Brand Building Fund described in Section 10 is established by SEF, Franchisee agrees to pay SEF Brand Building Contributions on the tenth (10th) of each calendar month in an amount equal to one percent (1%) of Gross Receipts for the preceding calendar month (the "**Brand Building Contribution**"). SEF reserves the right to increase the Brand Building Contribution upon sixty (60) days advance written notice to Franchisee; provided that SEF will not increase the Brand Building Contribution to more than four percent (4%) of Gross Receipts during the term of this Agreement.

f. **Technology Fee.** Franchisee agrees to pay SEF a technology fee on the tenth (10th) of each calendar month in an amount equal to $350 per calendar month in exchange for access to SEF's E-Materials and SEF email accounts (the "**Technology Fee**"). Franchisee acknowledges and agrees that SEF shall have no obligation to provide such materials and services on a monthly basis notwithstanding Franchisee's monthly payment of the Technology Fee. SEF reserves the right to increase the Technology Fee upon sixty (60) days advance written notice to Franchisee.

g. **Electronic Funds Transfer; Designated Bank Account.** Franchisee shall pay all ongoing fees by or through an electronic funds transfer ("**EFT**"). Franchisee agrees to comply with SEF's payment instructions and to execute such documents as SEF may request from time to time to authorize and direct Franchisee's bank to pay and deposit directly to the account designated by SEF all ongoing fees due hereunder. By the first (1st) day of each calendar month, Franchisee shall make deposits to the account sufficient to cover amounts owed to SEF for the preceding calendar month just ended. Franchisee shall execute any documents SEF's and/or Franchisee's bank require to establish and implement the EFT process. Franchisee shall maintain a primary business checking account for the Unit Franchise

Business (the "**Designated Bank Account**") and shall provide SEF with the information SEF requests regarding the Designated Bank Account. Once the EFT is established, Franchisee shall not close the Designated Bank Account without providing advance notice to SEF. SEF reserves the right to change the manner and method of payment by Franchisee for all payments owed to SEF.

h. **Returned Check or NSF Fee**. In the event that any check written by Franchisee to the order of SEF is returned for insufficient funds, SEF is assessed a non-sufficient or insufficient funds fee ("**NSF**"), or the account balance in the Designated Bank Account is otherwise insufficient to cover an EFT, Franchisee shall pay SEF a fee of Fifty Dollars ($50) for each such occasion of a return for insufficient funds. Franchisee's failure to have sufficient funds available or to otherwise make payments when due on three (3) or more occasions within any twelve (12) calendar month period shall be grounds for termination of this Agreement pursuant to Section 15.b.xv.

i. **Interest on Late Payments.** All overdue payments for Royalty Fees and other amounts that Franchisee is required to pay under this Agreement will bear interest from the date due until the date actually received by SEF at the rate of one and a half percent (1.5%) per calendar month, or the highest rate permitted by law, whichever is less. Interest will accrue on all late payments regardless of whether SEF or Franchisee exercises its right to terminate this Agreement as provided for herein.

j. **Application of Payments.** Notwithstanding designation by Franchisee to the contrary, any payments made by Franchisee hereunder may be applied by SEF at its discretion to any of Franchisee's past due indebtedness.

k. **Fee Adjustment.** SEF may adjust all fees payable under this Agreement as a specific dollar amount (versus a percentage of another amount) up to twenty percent (20%) each calendar year upon written notice to Franchisee.

l. **Regulatory Compliance**. The fees described in this Section 4 represent fair market value payment for Franchisee's use of the System and are not based on, or intended to take into account, the services that Franchisee provides or the volume or value of any referrals or other business otherwise generated, if any, under this Agreement. Franchisee acknowledges and agrees that SEF is not a provider of health care services, that SEF is not in the position to make referrals of patients and that SEF does not otherwise recommend or arrange for the provision of health care services through the marketing or public awareness efforts that SEF makes under this Agreement.

m. **Fee Modifications**. Except as otherwise described herein, the fees outlined in this Section 4 may be modified by SEF no more than once every twelve (12) month period during the term of this Agreement.

5. Records and Reports.

a. **Registration of Clients and Revenues Received.** Franchisee must register all clients who receive structural balancing services or other goods and services from the Franchised Clinic through a business management system designated by SEF, including documenting all amounts paid and payable by the client to Franchisee.

Bookkeeping and Accounting Records. Franchisee will establish and maintain bookkeeping, accounting, Client Data (as limited by Section 5.d.), and financial records for the Franchised Clinic conforming to such requirements as are prescribed by SEF in the Manuals from time to time (the "**Accounting Records**"). Franchisee must maintain all information and data relating to the operation of the Franchised Clinic in a secure database throughout the term of this Agreement and permit SEF to access such records in person or by computer from a remote location. Franchisee acknowledges and agrees that if SEF is required or permitted by statute, rule, regulation, or any other legal authority to disclose any information regarding Franchisee or the financial performance of the Franchised Clinic, including, without limitation, earnings or other financial information, SEF will be entitled to disclose such information. In addition, Franchisee hereby expressly permits SEF to disclose any such information to potential purchasers (and their employees, agents, and representatives) of SEF, Franchisee or the Franchised Clinic, as they request in considering purchase of any equity interests or assets of SEF, Franchisee or the Business.

c. **Financial Reports.** Franchisee will provide SEF with all financial reports that SEF may reasonably require from time to time in the form prescribed by SEF (the "**Financial Reports**"), whether specified in the Manuals or otherwise in writing. Without limiting the foregoing, by the fourth (4th) day of each calendar month Franchisee will submit to SEF monthly reports detailing the Franchised Clinic's Gross Receipts for the immediately preceding calendar month. SEF may require all Financial Reports to be submitted via Internet transmission or any other medium designated by SEF.

d. **Client Records**. SEF and Franchisee agree that all client medical records shall be treated as confidential so as to comply with applicable law regarding the confidentiality and security of patient records, including any applicable requirements under the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") (Public Law 104-91, 110 Stat. 1938 (1996); regulations codified or to be codified as 45 CFR Part 160 and 45 CFR Part 164, Subparts A and E, as amended from time to time) and that SEF will not require Franchisee to provide SEF with access to client records within the scope of HIPAA at any time.

6. Training and Assistance.

a. **Training Programs.**

i. **Initial Training.** At a time to be mutually agreed upon by SEF and Franchisee, SEF or its designee will conduct an initial training program covering the key aspects of developing, opening, operating and promoting the Franchised Clinic (the "**Owner Training Program**"). The Owner Training Program will take place at SEF's headquarters in Hagerstown, Maryland or such other location designated by SEF or its designee. You must attend and successfully complete the Pre-Opening Training Program. Franchisee's Designated Manager (defined in Section 11.c) must also attend the "**Pre-Opening Training Program**" will take place once site selection is complete. The fee for Franchisee to attend either the Owner Training Program or Pre-Opening Training Program is part of the Initial Franchise Fee. Franchisee must pay SEF a fee in the amount of $2,700 for any other participant in the Owner Training Program or Pre-Opening Training Program. Franchisee is also responsible for all costs its personnel and other representatives incur as a result of attending the Owner Training Program or Pre-Opening Training Program.

ii. **Required Participants**. Franchisee's Principal Owner must attend the Owner Training Program and is encouraged to attend the Pre-Opening Training Program. Franchisee's Designated Manager must attend and successfully complete the Pre-Opening Training Program to SEF's reasonable satisfaction before commencing operation of the Franchised Clinic.

iii. **Regional Training Sessions.** Up to three (3) times a year as determined by SEF, SEF may offer one-day regional training sessions (the "**Regional Training Sessions**"). The Regional Training Sessions, if and when offered, will provide refresher courses. The Regional Training Sessions will be hosted by SEF at a Clinic location within the Designated Area or online. The Designated Manager or, if there is no Designated Manager, then the Principal Owner, or a designee thereof, must attend the Regional Training Sessions at his or her expense. Unexcused absence by the Designated Manager, the Principal Owner or a designee at two consecutive Regional Training Sessions shall be grounds for termination of this Agreement pursuant to Section 15.b.xvi.

iv. **Remedial Training**. Should SEF determine, in its sole discretion, that Franchisee is not complying with the System, SEF may require the Principal Owner or the Designated Manager to attend a remedial training (the "**Remedial Training**"). If SEF determines that the Remedial Training is necessary, Franchisee shall pay SEF One Thousand Dollars ($1,000) per half day of training, in addition to any expenses incurred by SEF in offering the Remedial Training.

v. **Additional Training**. Except as stated in Sections 6.a.i-v., SEF is not obligated to provide any additional training to Franchisee or Franchisee's Principal Owner, Designated Manager or Qualified Professionals. If Franchisee requests additional training and SEF agrees to provide it, SEF may require Franchisee to pay SEF One Thousand Dollars ($1,000) per half day of training. SEF and Franchisee shall agree as to the location of any such additional training and, unless it is provided at SEF's headquarters, Franchisee shall pay SEF's representative's travel expenses.

vi. **Annual Convention**. Such of Franchisee's personnel as SEF may require, including Qualified Professionals, must attend annually for up to three (3) days one (1) convention or conference that SEF sponsors or designates. SEF reserves the right to charge Franchisee a fee to attend the annual convention and may charge this fee even if Franchisee fails to attend the annual convention unless SEF provides written confirmation of Franchisee's excused absence. SEF has no obligation to host or sponsor any convention or conference.

vii. **Training Expenses**. Except as described above in this Section 6.a., all expenses incurred in connection with training and attendance at SEF's annual convention, including without limitation the costs of transportation, lodging, meals, wages, workers' compensation insurance, for Franchisee and all of its employees and contractors, shall be borne by Franchisee.

viii. **SEF Designees**. Franchisee acknowledges and agrees that one or more designees of SEF may provide to Franchisee some or all of the training, ongoing assistance, or other obligations of SEF described in this Agreement.

b. **E-Materials.** SEF will endeavor to offer E-Materials to Franchisee, but in no event shall E-Materials be considered a substitute for any required training identified in Section 6.a.

7. Manuals.

a. During the term of this Agreement, SEF will loan to Franchisee one copy of, or provide Franchisee with electronic access to, the Manuals. The Manuals may consist of printed manuals, computerized documents or software, information provided on a password-protected portion of the Internet (or an "extranet"), audio or video recordings, or any other media SEF adopts periodically and designates as part of the Manuals. The Manuals will contain information and specifications concerning the mandatory standards and specifications for the development and operation of the Franchised Clinic, and may include any other information and advice that SEF periodically provides in a form that can be accessed subsequent to its provision. SEF may update the Manuals periodically to reflect changes in the System and the operating requirements applicable to the Franchised Clinic, and Franchisee must comply with each requirement within such reasonable time as SEF may require; or if no time is specified, within thirty (30) days after receiving notification of the requirement. Franchisee must exclusively bear the costs for implementing changes, updates or modifications to the System.

b. Franchisee must at all times ensure that its copy of the Manuals and any other confidential materials supplied by SEF are kept current and up to date. Franchisee must keep any printed Manuals materials in a secure location at the Authorized Site, keep secure all passwords necessary to access the Manuals and SEF's proprietary materials, and take all reasonable steps to prevent unauthorized disclosure or copying of the information contained in any printed or computerized Manuals. Franchisee must restrict any employee and Related Party access to the Manuals on a need-to-know basis. If SEF and Franchisee have any disagreement about the most current contents of the Manuals, SEF's master copy of the Manuals will control.

c. If Franchisee's copy of the printed Manuals is lost, stolen or destroyed, Franchisee must immediately obtain a replacement copy and pay SEF a fee of Two Hundred and Fifty Dollars ($250). The Manuals is confidential, copyrighted and SEF's exclusive property.

8. Intellectual Property.

Ownership of the Intellectual Property. Franchisee acknowledges and agrees that SEF's Related Party, Structural Elements, LLC ("**Licensor**") is the owner of the Marks, Trade Secrets, Copyrighted Works and the Methods (together, the "**Intellectual Property**") and that nothing herein contained will under any circumstances give Franchisee any right, title or interest in or to the Intellectual Property other than, except as otherwise described in this Agreement, the non-exclusive right to use the Intellectual Property in connection with the operation of the Franchised Clinic under the System and in strict accordance with the terms of this Agreement. Franchisee also acknowledges and agrees that the Intellectual Property, and all goodwill now or in the future pertaining to the same, belong to Licensor and SEF. Franchisee will not raise or cause to be raised any questions concerning, or objections to, the validity or ownership of the Intellectual Property on any grounds whatsoever. Franchisee will not seek to register, reregister or assert claim to or ownership of, or otherwise appropriate to itself, any of the Intellectual Property or any marks or names confusingly similar to the Marks, or the goodwill symbolized by the Intellectual Property, except insofar as such action inures to the benefit of and has the prior written approval of SEF.

b. Use of Marks. In order to protect the Marks, the System, and the goodwill associated therewith, Franchisee must:

i. Only use the Marks designated by SEF, and only in the manner authorized and permitted by SEF. Franchisee may not make any changes or substitutions whatsoever in or to the use of the Marks unless directed by SEF in writing. Franchisee's right to use the Marks is limited to such uses as are authorized under this Agreement, and only for the offer and sale of services. Any unauthorized use of the Marks constitutes an infringement of SEF's rights and a breach of this Agreement.

ii. Only use the Marks for the operation of the Franchised Clinic or in advertising or promoting the Franchised Clinic. Franchisee may not use any of the Marks in any part of any domain name or electronic address or to advertise or promote any services other than the System.

iii. Operate and advertise the Franchised Clinic under the name "Structural Elements" without prefix or suffix except to describe the Designated Area or Authorized Site location, and under no other names.

iv. Not use the Marks or any derivation thereof, or any name that is confusingly similar to the Marks, as part of Franchisee's corporate or business entity name. However, Franchisee must file a trade name or d/b/a registration with Franchisee's state identifying the Franchised Clinic as "Structural Elements of [the city or town where the Authorized Site is located]" and identifying Franchisee as the owner.

v. Display the symbol TM, SM or ®, or such other symbols or words as SEF may designate to protect the Marks, on all items and materials where the Marks appear. Franchisee must use the Marks on all materials representing the Franchised Clinic, including, without limitation, signage, business cards, stationery, email correspondence, advertising, apparel, checks, proposals, contracts, signage, and marketing and promotional materials. Franchisee must ensure that all such materials: (1) accurately depict the Marks; (2) include a statement indicating that the business is independently owned and operated by Franchisee and, for all checks, proposals and contracts, also identify Franchisee's name; (3) do not use the Marks in connection with any other trademarks, trade names or service marks unless specifically approved by SEF in writing. Franchisee must make available to SEF, upon its request, a copy of any materials depicting the Marks.

c. Copyrighted Works. Franchisee may use the Copyrighted Works in connection with the Franchised Clinic only according to this Agreement, the Manuals or as provided in writing from time to time by SEF. Franchisee must ensure that all Copyrighted Works bear the copyright and other notices SEF designates that specify SEF's ownership of the copyrights therein. If SEF authorizes Franchisee in writing to prepare any adaptation, translation or work derived from the Copyrighted Works, or if Franchisee or the Regional Marketing Cooperative established pursuant to Section 10 herein prepare any Copyrighted Works, such as advertisements, posters, forms, reports, software, books, electronic books or marketing or promotional materials, Franchisee agrees that such adaptation, translation, derivative work or Copyrighted Work shall be SEF's sole and exclusive property and Franchisee hereby assigns all of its right, title and interest therein to SEF. Franchisee agrees to submit all such adaptations, translations, derivative works and Copyrighted

Works to SEF for SEF's prior approval before any use by Franchisee; and Franchisee agrees that it shall not use any such item without SEF's prior written approval. Franchisee's unauthorized use of any of the Copyrighted Works is a material breach of this Agreement and infringes on the Copyrighted Works.

d. Infringement.

i. Franchisee must promptly inform SEF in writing of any known or suspected infringement or imitations of the Intellectual Property, or any known or suspected act of unfair competition against SEF or Franchisee (each an "**IP Claim**"). Franchisee will not make any demand or serve any notice, orally or in writing, or institute any legal action or negotiate, compromise or settle any controversy with respect to any such IP Claim without first obtaining SEF's written consent. SEF has the exclusive right to institute, negotiate, compromise, settle, dismiss, appeal or otherwise handle any such action; to take such steps as SEF may deem advisable to prevent any such action; and to join Franchisee and any other franchisees as parties to any such action in which Franchisee is or would be a necessary or proper party, provided that nothing herein will be construed to obligate SEF to seek recovery of costs or damages of any kind in any such litigation, the assertion or waiver of such claims being within the sole discretion of SEF. SEF will pay the costs of any such action that SEF brings or defends against, and any recovery obtained from an IP Claim will be paid exclusively to SEF.

ii. Franchisee must execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of SEF's counsel, be necessary or advisable to protect and maintain SEF's interests in any such litigation or other proceeding or to otherwise protect and maintain SEF's interest in connection with an IP Claim. Provided Franchisee complies with the provisions of this Section 8.d., SEF will reimburse Franchisee for all expenses reasonably incurred in any legal proceeding disputing Franchisee's authorized use of any Intellectual Property, including any judgment for damages or settlements paid, unless Franchisee's breach of this Agreement or failure to abide by a mandatory specification of the Manuals is a proximate cause of the infringement claim. However, such reimbursement will not include Franchisee's expenses for removing signage, discontinuing use of any Intellectual Property or adopting new Intellectual Property, and SEF will not reimburse Franchisee in any dispute where SEF challenges Franchisee's use of the Intellectual Property.

e. Substitute Marks and Copyrighted Works. If SEF decides to change, add or discontinue use of any Mark or Copyrighted Works, or to introduce additional or substitute Marks or Copyrighted Works, Franchisee, within a reasonable period of time after receipt of written notice thereof, must take such action, at its sole expense, as is necessary to comply with such change, alteration, discontinuation, addition or substitution. SEF will not have any liability for any loss of revenue or goodwill due to implementation of any new Marks or Copyrighted Works or discontinuation or modification of any Marks or Copyrighted Works.

9. Website. SEF will maintain a page on the Website with the contact information for the Franchised Clinic. SEF will make all reasonable efforts to ensure that the Website is operational and accessible at all times; however, Franchisee acknowledges that certain circumstances beyond SEF's control may affect the operation and accessibility of the Website, and SEF will under no

circumstances be liable to Franchisee for any losses or damages incurred as the result of any defect in or inaccessibility of the Website. Franchisee acknowledges and agrees that SEF may include disclaimers on the Website describing, among other things, the following aspects of this arrangement: (1) that Franchisee pays SEF certain fees to obtain the System from SEF under this Agreement; (2) that SEF provides contact information from individuals who contact SEF through the website only to parties that pay SEF fees under arrangements that are similar to this Agreement; (3) that SEF is not a licensed medical or health care provider and is not engaged in the practice of medicine or other health care services, but rather makes available the System to Qualified Professionals for their use in implementing the Methods as those Qualified Professionals deem appropriate within their scope of professional practice; and (4) that SEF does not opine, review or make referrals or recommendations regarding the risks or benefits of any particular treatments or courses of conduct, but rather may pass along the contact information of individuals who contact SEF through the website to Franchisee and other companies that are parties to franchise agreements similar to this Agreement.

10. Brand Building Fund; Regional Marketing Cooperative; Local Advertising, Marketing and Promotion.

a. **Brand Building Fund.** SEF shall have the right to establish, at any time, the Brand Building Fund (the "**Brand Building Fund**"), as described in this Section 10. If SEF decides to establish the Brand Building Fund, SEF shall provide Franchisee notice of its intent to establish the Brand Building Fund at least thirty (30) days prior to commencing collection of the Brand Building Contribution. If established, the Brand Building Fund shall be maintained and administered by SEF or its designee, as follows:

i. **Maintenance and Administration of the Brand Building Fund.** SEF or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including without limitation, the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Building Fund is intended to maximize general public recognition, acceptance, perception of, and use of the System; and that SEF and its designee are not obligated, in administering the Brand Building Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Brand Building Fund. Franchisee shall contribute to the Brand Building Fund in the manner specified in Section 4.e above. All sums paid by Franchisee to the Brand Building Fund shall be maintained in an account separate from SEF's other monies. SEF shall have the right to charge the Brand Building Fund for such reasonable administrative costs and overhead as SEF may incur in activities reasonably related to the direction and implementation of the Brand Building Fund and advertising programs for franchisees and the System, including, without limitation, costs of personnel for creating and implementing, advertising, merchandising, promotional and marketing programs and accounting services reasonably related to the operation and functions of the Brand Building Fund. The Brand Building Fund and its earnings shall not otherwise inure to the benefit of SEF. SEF or its designee shall maintain separate bookkeeping accounts for the Brand Building Fund.

ii. The Brand Building Fund is not intended to be, and will not be used for, ordinary operating expenses intend to be, nor is it a trust, and SEF does not assume any fiduciary obligation to Franchisee for maintaining, directing or administering the

Brand Building Fund or for any other reason. A statement of the operations of the Brand Building Fund as shown on the books of SEF shall be prepared annually by SEF and shall be made available to Franchisee on an annual basis.

iii. **Use of Brand Building Contributions.** The Brand Building Fund, all contributions thereto, and any earnings thereon, may be used exclusively by SEF (except as otherwise provided in this Section 10) to meet any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which SEF believes will enhance the image of the System, including, without limitation, the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and customer and client engagement seminars for franchisees; purchasing promotional items; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and client satisfaction surveys; developing and implementing client loyalty and gift card programs; client retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the System, the Proprietary Marks and/or the "Structural Elements" brand; providing promotional and other marketing materials and services to the Clinics operated under the System; and the salaries of SEF's employees to the extent such employees provide services in conjunction with System marketing activities. The Brand Building Fund may also be used to provide rebates or reimbursements to franchisees for local expenditures on products, services, or improvements, approved in advance by SEF, which products, services, or improvements SEF shall have the right to determine will promote general public awareness and favorable support for the System. SEF shall allocate Brand Building Fund contributions to various uses as it sees fit and does not guarantee, and is not required to provide, equal advertising benefits to all franchisees.

iv. **Termination of Brand Building Fund.** Although the Brand Building Fund is intended to be of perpetual duration, SEF maintains the right to terminate the Brand Building Fund. The Brand Building Fund shall not be terminated, however, until all monies in the Brand Building Fund have been expended for advertising and/or promotional purposes.

b. **Regional Marketing Cooperative Establishment; Participation.** SEF may, at its option, require Franchisee to participate in a regional marketing cooperative (a "**Regional Marketing Cooperative**") as described below.

i. **Cooperative Contribution.** If such Regional Marketing Cooperative is established, each -Franchisee shall pay into the Regional Marketing Cooperative, on a monthly basis, an amount determined by SEF (the "**Cooperative**

Contribution"); provided that the Cooperative Contribution (in addition to the Brand Building Contribution) shall equal no more than two percent (2%) of Gross Receipts for the preceding calendar month.

ii. **Cooperative Governance**. If SEF requires the formation of a Regional Marketing Cooperative, Franchisee and each required member of the cooperative will sign a written agreement concerning the governance and management of the cooperative, including, but not limited to, the terms specified above. In addition to other terms and provisions, the agreement will include methods for determining who oversees and manages the cooperative's funds; the members' entitlement to financial statements regarding the use of those funds; and other rights and remedies of the members with regard to the use of those funds.

iii. **Cooperative Mergers**. SEF, in its sole discretion, will have the ability to merge any Regional Marketing Cooperatives into larger regions. However, the dissolution of a cooperative or dividing a cooperative into smaller regions will require the approval of at least two-thirds (2/3s) of all votes entitled to be cast.

iv. **Cooperative Group Advertised Pricing**. By a majority vote of the members of the Regional Marketing Cooperative, the members may, to the extent permitted by law, agree upon advertised prices for goods and services sold at each member's respective Franchised Clinic(s) (as applicable) in order to facilitate group advertising.

c. **Local Advertising, Marketing and Promotion**. All local advertising, marketing and promotion by Franchisee shall be in such media, and of such type and format as SEF may approve; shall be conducted in a dignified manner; shall conform to such standards and requirements as SEF may specify; and shall comply with all applicable laws. Franchisee shall not use any advertising, marketing or promotional plans or materials unless and until Franchisee has received written approval from SEF. Franchisee shall comply with all of SEF's written instructions, policies, procedures, and restrictions regarding advertising and marketing within the Designated Area, outside of the Designated Area, and in areas that may be territories assigned to other SEF franchisees.

11. Franchisee's Obligations. Franchisee accepts the following obligations, all of which shall be performed in accordance with the Health Care Representations and Warranties (described below in this Section 11):

a. **Development of the Authorized Site.** SEF will provide Franchisee with specifications for the Franchised Clinic, including standards for build-out, layout, equipment, décor, and signage. You must contract with our designated construction management company to supervise the construction, buildout or remodeling of the Authorized Site. Franchisee must obtain all required building, utility, sign, health, sanitation, and business permits and licenses, and any other required permits or licenses. Franchisee must construct all required improvements to the Authorized Site, purchase and install all required fixtures and equipment and decorate the Authorized Site in compliance with the plans and specifications SEF approves and in compliance with all applicable federal, state, and local laws, ordinances, building codes, permit requirements, and lease or deed requirements and restrictions

b. **Opening.** Franchisee may not open the Franchised Clinic without SEF's prior written consent, which will not be unreasonably withheld.

c. **Authorized Services.** Franchisee must operate the Franchised Clinic: (i) in a manner that will promote the goodwill of the Marks; and (ii) in full compliance with SEF's System, policies, procedures, standards and specifications as prescribed by SEF from time to time in the Manuals or otherwise in writing. Franchisee must not offer any service or merchandise that is not authorized by SEF, nor shall the Franchised Clinic be used for any purpose other than operations in compliance with this Agreement and the Manuals. No Qualified Professional may perform medical services, physical therapy, chiropractic therapy, massage therapy, fitness and movement services, or acupuncture/dry needling therapy, or otherwise provide services or use their license except as authorized herein without SEF's prior written consent, which shall not be unreasonably withheld. Notwithstanding the provisions of this Section 11.b. restricting the practice of professional services at the Franchised Clinic, Qualified Professionals may provide professional services outside of the Franchised Clinic as part of a professional practice to which Qualified Professional belongs, provided that Franchisee and Qualified Professional shall not: (i) use or otherwise disclose the Confidential Information, including, without limitation, the Trade Secrets, Methods, and Marks, in such business or practice; and/or (ii) develop a product or service in such business or practice or elsewhere that would diminish the business opportunities of the Franchised Clinic and other Clinics.

   i. **Franchisee Acknowledgments Regarding Qualified Professionals**. Qualified Professionals will generally perform medical services, physical therapy, chiropractic therapy, massage therapy, fitness and movement services, or acupuncture/dry needling therapy, or otherwise provide services or use their license, taking into consideration the System, Methods and SEF's recommendations or guidance, but Qualified Professionals shall at all times have complete control over the exercise of their professional judgment based on patient needs, experience, training and other factors. Nothing in this Agreement permits Franchisee to restrict, limit or interfere with Qualified Professionals' ability to provide, make available or offer services, to patients within the exercise of their professional judgment and applicable standards of care. As may be directed by SEF, Franchisee is responsible for discussing with each Micro-Franchisee (and its Qualified Professional) the equipment, inventory and supplies for the Franchised Clinic and confirming with each Micro-Franchisee (and its Qualified Professional) that they have reviewed the same and determined that it is appropriate for use within applicable standards of care for the Qualified Professionals' provision of professional services at the Franchised Clinic. In the event a Micro-Franchisee informs Franchisee that any inventory, equipment or supplies is not consistent with applicable standards of care or requirements of state law, Franchisee will provide notice to SEF of the same along with such written explanation from the Micro-Franchisee in support of their determination in that regard. The parties will thereafter proceed to resolve the matter as a potential "Fundamental Regulatory Change" in accordance with the provisions of Section 12.e of this Agreement. In the meantime, Franchisee will not interfere with Qualified Professionals use of such equipment or supplies as are necessary to meet patient care needs at the Franchised Clinic.

d. **Management.** At all times the Franchised Clinic must be under the full-time management and supervision of a manager who has completed SEF's Pre-Opening Program to manage

the day to day operations of the Franchised Clinic (the "**Designated Manager**"). Franchisee must keep SEF informed at all times of the identity of the Designated Manager. Franchisee must immediately inform SEF if the Designated Manager's employment ends, and upon such occurrence if Franchisee does not employ another person who has previously completed the Pre-Opening Training Program, then Franchisee must promptly appoint a new Designated Manager and send him or her to SEF's next scheduled Pre-Opening Training Program. In the interim, Franchisee must designate an interim manager with previous experience operating the Franchised Clinic who SEF approves to manage the Franchised Clinic until the new Designated Manager has completed the required training. While SEF strongly encourages its franchisees to provide its Designated Manager with some rights to benefit from the success of the Franchised Clinic, Franchisee's initial Designated Manager is not required to own any equity interest in the Franchisee entity. However, after completion of the first complete year of the Franchised Clinic's operation, if monthly revenues of the Franchised Clinic have declined by 15 percent or more (as compared to the same months of operation in the previous year) for three consecutive calendar months, SEF may require that a Principal Owner owning at least 25% of the Franchisee Entity become the Designated Manager.

e. **Compliance with Operating Standards; Right to Exercise Professional Judgement.** Franchisee must operate the Business in strict compliance with all standards and specifications stated in the Manuals, and revisions thereto, as provided in Section 7.a. herein. Notwithstanding the foregoing, each Qualified Professional shall have the right to exercise his or her independent professional judgement in rendering licensed services, and the standards and specifications of the Manuals shall be construed in a manner not restricting the exercise of such professional judgment.

f. **Compliance with Laws.** Franchisee will be solely responsible for obtaining and maintaining all permits and licenses required to operate the Franchised Clinic in compliance with applicable laws and regulations. Franchisee is solely responsible for ensuring the Franchised Clinic's strict compliance with all laws, ordinances and regulations applicable to the Franchised Clinic. Franchisee must pay promptly when due all taxes and debts that Franchisee incurs in the operation of the Franchised Clinic. If any state licensing board with jurisdiction over Franchisee, Micro-Franchisees or Qualified Professionals, or other federal or state board, agency or regulatory body with authority over the practice of health care or healing arts services available at the Franchised Clinic, determines that any part of this Agreement may violate state or federal law(s), the matter will be treated as a "Fundamental Regulatory Change" under Section 12.e. Franchisee, the Principal Owners and its other owners agree to waive and release SEF from any and all claims, demands, charges and causes of action, arising out of any section or sections of this Agreement which may now be or may in the future become in violation of federal or state law(s) or regulations.

g. **Grand Opening**. Within the first three (3) calendar months after opening the Franchised Clinic, Franchisee must spend at least Fifteen Thousand Dollars ($15,000) on local advertising and marketing for the promotion of the Franchised Clinic. Franchisee must provide SEF or its designee with all advertising and marketing materials for pre-approval in accordance with Section 10.c. of this Agreement. At Franchisee's request, and in SEF's sole discretion, SEF will provide guidance to Franchisee in developing its grand opening advertising program.

h. **Minimum Local Marketing Expenditure.** Franchisee shall expend monthly at least one thousand five hundred dollars ($1,500) on local advertising, marketing and promotion ("**Minimum Local Marketing Expenditure**"). If Franchisee fails to spend the Minimum Local Marketing Expenditure, SEF may require Franchisee to contribute any unspent amount to the Brand Building Fund. SEF may provide Franchisee a written notice of any shortfall or under expenditure of the Minimum Local Marketing Expenditure at any time following the end of a calendar year, and Franchisee shall pay such amount to SEF within thirty (30) days of such notice, or SEF may withdraw such amount from Franchisee's Designated Bank Account in accordance with Section 4. SEF may adjust the Minimum Local Marketing Expenditure upon thirty (30) days written notice to Franchisee. SEF reserves the right to require Franchisee to reallocate the amounts of its contributions towards the Minimum Local Marketing Expenditure, the Brand Building Fund and/or the Regional Marketing Cooperative in the manner SEF designates or prescribes.

i. **Computer System.**

i. Franchisee must have at least two desktop or laptop computers (one for the reception area and one for use by practitioners) and one tablet computer, each of which is dedicated for use in the Franchised Clinic and can efficiently access and utilize Internet-based software and materials designated or developed by SEF. All clients of the Franchised Clinic must be registered through the business management software designated by SEF. The computer system and software must meet SEF's minimum specifications as set forth in the Manuals.

ii. SEF will have the right to independently access the information generated and stored on Franchisee's computer system relating to the Franchised Clinic, and Franchisee agrees to provide SEF with the information needed to allow SEF remote access to such data. There are no contractual limitations on SEF's right to access this information, which may include, by way of example only, Gross Receipts information; payroll and other expenses; and federal, state and local tax information.

iii. Franchisee must use the electronic medical records software designated by SEF, and Franchisee shall be responsible for ensuring that the privacy of such information is protected. However, SEF will not have independent access to the treatment case histories of clients as stored in a designated electronic medical records storage software.

iv. Franchisee is solely responsible for installing, configuring and maintaining reasonable systems to verify that any person or entity utilizing the computer equipment is reasonably protected. Such systems may include establishing firewalls, access code protection and anti-virus systems, subject to modification or specification by SEF, in its sole discretion.

v. Franchisee must update the computer hardware and software systems used in the Franchised Clinic from time to time to the extent necessary to continue to maintain compliance with SEF's technology requirements as updated in the Manuals. However, SEF may not require Franchisee to use software or different computer hardware unless the Franchised Clinic(s) operated by SEF's Related Parties also are adopting such different software and/or hardware and incurring comparable costs.

j. **Apparel, Treatment Equipment and Retail Product Purchases.** Franchisee must purchase apparel, treatment equipment and retail products ("**Inventory**") as specified in the Manuals and may take advantage of any applicable discount offered to SEF or SEF's experience in ascertaining the best-value for Inventory. Inventory must be purchased from suppliers designated in the Manuals, including SEF, and may be subject to a service fee specified by SEF. Franchisee may make a written request that it be permitted to purchase Inventory from a supplier, or use a product, other than as specified in the Manuals (the "**New Supplier Request**"). Franchisee's New Supplier Request must include sufficient information, specifications and/or samples for SEF to determine whether the item or service complies with SEF's standards and specifications. SEF will charge Franchisee Five Hundred Dollars ($500) per New Supplier Request, which fee shall be returned if SEF approves the new supplier, less SEF's actual expenses in reviewing the new supplier. SEF will make a decision as to the New Supplier Request within thirty (30) days after receiving the required information.

k. **Signage.** Franchisee must secure a sign for the Authorized Site, advertising the Franchised Clinic consistent with the use of the Marks as required in this Agreement. Any vendor for such sign must first be approved by SEF, such approval not to be unreasonably withheld.

l. **Insurance.**

i. Prior to the opening of the Franchised Clinic and during the term of this Agreement, Franchisee must obtain and maintain such insurance policy types and minimum coverage amounts specified by SEF from time to time in writing through the Manuals or otherwise, as well as such additional insurance as may be required by the terms of any lease or mortgage to which Franchisee is party. Each liability policy of any kind must contain an Additional Insured Endorsement naming SEF and its respective officers, directors, partners, members, affiliates, subsidiaries, and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed services. The additional insured endorsement form shall be ISO CG 20-26 or any other form approved in writing by SEF that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of SEF or other additional insureds.

ii. Franchisee must provide evidence reasonably satisfactory to SEF of such insurance coverage prior to commencing operation of the Franchised Clinic and annually thereafter. All policies must include provisions requiring insurer to notify SEF of non-renewal at least thirty (30) days prior to expiration, and of Franchisee's failure to renew as of expiration of any policy.

iii. If Franchisee at any time fails or refuses to maintain any insurance coverage required by SEF or to furnish satisfactory evidence thereof, SEF, at its option and in addition to its other rights and remedies hereunder, may, but need not, obtain such insurance coverage on behalf of Franchisee, and Franchisee must pay to SEF ten (10) days after an invoice is transmitted to Franchisee all costs incurred by SEF in connection with the securing or acquiring of such insurance.

iv. In the event that any Micro-Franchisee leasing space in the Franchised Clinic has failed to obtain or maintain professional liability insurance, SEF may require Franchisee to obtain and maintain such professional liability insurance on behalf of the Micro-Franchisees (that meets the requirements outlined in Section 2.d.i of this Agreement).

m. **Development or Improvements by Franchisee.** If Franchisee (whether in its own right, or through any of its owners, management, employees, contractors or other agents) develops any new modification, concept, process, improvement, or otherwise in the operation or promotion of the Franchised Clinic, the same will be deemed a work made for hire, and Franchisee must promptly notify SEF of, and provide SEF with, all necessary information regarding such modification, concept, process, improvement or slogan. Franchisee acknowledges that SEF may use or allow other franchisees to use the same in connection with the System without compensating Franchisee, it being Franchisee's countervailing right to benefit from such improvement made by other System franchisees.

n. **Notice of Complaints.** Franchisee agrees to notify SEF promptly of Franchisee's receipt of service of process in any legal proceeding that is in any way related to the Franchised Clinic. Franchisee agrees to notify SEF promptly if Franchisee becomes aware that Franchisee is the subject of any complaint to or investigation by any governmental licensing authority or consumer protection agency.

o. **Compliance with Privacy Laws**. Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, transactional information and client information, including HIPAA (collectively, "**Privacy Laws**"). In addition, Franchisee agrees to comply with any standards and policies issued by SEF pertaining to Privacy Laws. If there is a conflict between SEF's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately give SEF written notice of said conflict; and (iii) promptly and fully cooperate with SEF and its counsel in determining the most effective way, if possible, to meet SEF's standards and policies pertaining to Privacy Laws within the bounds of applicable law.

p. **Credit-Card Processing and Other Payment Methods**. SEF may require that Franchisee maintain credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, and electronic-funds-transfer systems that SEF designates as mandatory, and that Franchisee must not use any such services or providers that SEF has not approved in writing or for which SEF has revoked its approval. SEF has the right to modify its requirements (if any) and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. Whether or not SEF designates approved suppliers of these services, Franchisee must comply with the Payment Card Industry Data Security Standards as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as SEF may specify in the Manuals.

q. **Submission and Approval of Advertising**. Franchisee must submit for SEF's approval any and all advertising and marketing materials not prepared or previously approved by SEF at least fifteen (15) days prior to any proposed publication or run date. SEF may grant or withhold its approval for any reason or no reason. All advertising and promotion by

Franchisee must be factually accurate and shall not detrimentally affect the Marks or the System, as determined in SEF's sole discretion. In the event SEF does not notify Franchisee of its approval or disapproval within fifteen (15) days of SEF's receipt of the materials, the materials shall be deemed approved. Franchisee must discontinue the use or placement of any previously approved advertising within five (5) days of Franchisee's receipt of SEF's request to do so. Without limitation, no advertising or promotion by Franchisee shall be conducted on or through the Internet or other electronic transmission via computer (including email or any "Social Media" platform) without express prior written approval by SEF.

r. **System Modifications**. Franchisee acknowledges and agrees that from time to time SEF may change or modify the system as SEF deems appropriate, including to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve or enhance the public image of the System and Clinic operations. Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Clinics, any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. SEF also reserves the right, at its option, to vary the standards throughout the System, as well as the services and assistance that SEF may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors SEF deems to be important to the operation of any Clinic or the System. Franchisee shall have no recourse against SEF on the account of any variation to any franchisee and shall not be entitled to require SEF to provide Franchisee with a like or similar variation hereunder.

s. **Health Care Obligations, Representations and Warranties**. The provisions in this section 11.r are referred to collectively in this Agreement as the "**Health Care Representations and Warranties**".

i. **Corporate Practice of Medicine**. Before Franchisee opens the Franchised Clinic for business, Franchisee may be required to qualify as a professional firm, professional corporation or similar type of corporate entity organized and permitted, under applicable provisions of state law, to operate a Franchised Clinic and provide the services and products to clients. If Franchisee is required to so qualify, Franchisee agrees to perform such actions as are necessary to obtain such qualifications.

ii. **Financial Relationship between Franchisee and Micro-Franchisee**.

1. **Anti-kickback Statute and Related Laws**. Franchisee is responsible for compliance with all laws and regulations that govern the relationship (including the exchange of any remuneration) between Franchisee and any health care providers and individuals or organizations that may refer patients to health care providers for the furnishing of any items or services reimbursable in whole or part by federal or state health care programs, or in return for purchasing, leasing, ordering or arranging for or recommending purchasing, leasing or ordering any goods, facilities, services or items for which payment may be made in whole or part by federal or state health care programs. This includes without limitation the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)) and the federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a) and its prohibition

against providing inducements to beneficiaries of the Medicare and Medicaid programs, along with any state law equivalents of the same. Franchisee, Principal Owners and other owners of Franchisee will act in compliance with all of the aforementioned laws and regulations with respect to any business, financial or other remunerative arrangements it has with the Micro-Franchisees, Qualified Professionals or any customers of the Franchised Clinic.

iii. **Stark Law and Related Laws**. To the extent the federal Ethics in Patient Referrals Act (42 U.S.C. § 1395nn, 42 C.F.R. §§ 411.350 et seq.) or any state law equivalent or comparable version of the same (collectively, the "**Self-Referral Laws**") apply to any "direct" or "indirect" "financial relationship" between Franchisee and any Principal Owner, other owners, any Micro-Franchisee or Qualified Professional, or any "physician", Franchisee warrants and represents that such financial relationship meets a statutory or regulatory exception to, or is otherwise in compliance with, the Self-Referral Laws. Terms used in this section that are not otherwise defined shall have the meanings ascribed to them in the Ethics in Patient Referrals Act and its implementing regulations.

iv. **Organization and Operation**. Franchisee represents and warrants on its own behalf and on behalf of each Qualified Professional (as applicable) the following:

1. **Licensure**. Each Qualified Professional that Franchisee contracts with or otherwise engages to provide services at the Franchised Clinic is licensed, certified, registered and otherwise qualified under all applicable laws and regulations to practice in the discipline for which such Qualified Professional is licensed, without restriction or disciplinary proceeding, and fully qualified, by education, training and experience, to provide the services for which Franchisee employed, contracted with or otherwise engaged that Qualified Professional.

2. **Corporate Form**. Franchisee has reviewed applicable state law requirements that pertain to the categories of licensure maintained by Qualified Professional(s) that Franchisee employs, contracts with or engages to provide services at the Franchised Clinic and has determined that their respective licensure status permits them to provide services under arrangement with Franchisee as described in this Agreement. Franchisee has reviewed applicable state law requirements that pertain to Franchisee's ability to employ or contract with (or grant an ownership interest to) Qualified Professionals, including any state law requirements related to Franchisee's obligations to qualify as a professional firm, professional corporation or similar type of corporate entity organized and permitted, under applicable provisions of state law to provide the services and products to clients, and is in compliance with the same.

3. **No Exclusion**. Neither Franchisee, the Qualified Professional(s), Principal Owners, other owners, nor other personnel who works as an employee or independent contractor of Franchisee, are, have been or will be excluded from participation in any "**Federal Health Care Program**" (as defined in 42 U.S.C. § 1320a-7b(f)), including but not limited to, Medicare or Medicaid. Franchisee agrees to review, on a monthly basis

during the term of this Agreement or at such other frequency as needed for Franchisee to meet its obligations under this Agreement, the status of the individuals/entities described in this section, to ensure that they have not been excluded by, or sanctioned under, the Department of Health and Human Services Office of the Inspector General as set forth on the List of Excluded Individuals and Entities or excluded or debarred by the General Services Administration System for Award Management (the "**Exclusion Lists**"). If any such individual or entity is identified on one of the Exclusion Lists, Franchisee shall notify SEF within no less than one (1) business day and shall immediately remove the individual or entity from any work directly or indirectly related to the System and Clinic.

4. **Government Programs**. Franchisee warrants and represents that neither Franchisee nor Franchised Clinic are enrolled in, functioning as a participating provider or supplier in or otherwise required or permitted to submit any claims for reimbursement to, any Federal Health Care Program, and that Franchisee will not enroll Franchisee or Franchised Clinic in or function as a participating provider or supplier in any Federal Health Care Program during the term of this Agreement without prior written agreement from SEF as described below. Franchisee further warrants and represents that Franchisee will not enter into any Administrative Services Agreement with a Micro-Franchisee that is required or permitted to submit claims to any Federal Health Care Program or is otherwise a participating provider or supplier in, or otherwise enrolled in, Medicare or Medicaid or any other Federal Health Care Program during the term of this Agreement, and that Franchisee is responsible for confirming that the Micro-Franchisee complies with the provisions of this section as part of its diligence in entering into an Administrative Services Agreement with each Micro-Franchisee. Franchisee acknowledges and agrees that neither Franchisee, nor any Franchised Clinic, or Micro-Franchise Business in the Designated Area will be enrolled in or participate with any Federal Health Care Program, including but not limited to Medicare or Medicaid ("**Government Programs**") during the term of this Agreement, without prior written agreement by SEF. In the event (a) SEF determinates that Franchisee, the Franchised Clinic, or Micro-Franchisee should become enrolled in any Federal Health Care Program; or (b) agrees to a request by Franchisee to permit such enrollment, SEF will provide written notice to Franchisee of its agreement in that regard. Franchisee will thereafter use its best efforts to secure such enrollment in and participation with the Government Programs designated by SEF ("**Government Enrollment**").

5. **Commercial Payors**. Franchisee warrants and represents that neither Franchisee nor Franchised Clinic are enrolled in, functioning as a participating provider or supplier in or otherwise required or permitted to submit any claims for reimbursement to, any commercial health insurance plan or program ("**Commercial Payors**") and that Franchisee will not enroll Franchisee or Franchised Clinic in or function as a participating provider or supplier with any Commercial Payors during the term of this Agreement without prior written agreement from SEF as described below. Franchisee further warrants and represents that Franchisee will not enter

into any Administrative Services Agreement with a Micro-Franchisee that is required or permitted to submit claims to any Commercial Payors or is otherwise a participating provider or supplier in, or otherwise enrolled with, any Commercial Payors during the term of this Agreement, and that Franchisee is responsible for confirming that each Micro-Franchisee complies with the provisions of this section as part of its diligence in entering into an Administrative Services Agreement with each Micro-Franchisee. Franchisee acknowledges and agrees that neither Franchisee, nor the Franchised Clinic or Micro-Franchise Business in the Designated Area will be enrolled in, submit claims for reimbursement to or otherwise participate with any Commercial Payors during the term of this Agreement, without prior written agreement by SEF. SEF has the right to periodically designate or approve the Commercial Payors from which the Franchised Clinic or Micro-Franchisees may accept reimbursement. Further, Franchisee agrees to provide SEF with prior written notification of Franchisee's desire (or the desire of the Micro-Franchisee) to contract with any Commercial Payors. In the event (a) SEF determinates that Franchisee, the Franchised Clinic, or a Micro-Franchisee should be enrolled, credentialed or participating with, or otherwise permitted to submit claims for reimbursement to, any Commercial Payors; or (b) agrees to a request by Franchisee to permit the same, SEF will provide written notice to Franchisee of its agreement in that regard. Franchisee will thereafter use its best efforts to secure such enrollment in and participation with the Commercial Payors designated by SEF ("**Commercial Payor Enrollment**").

6. **Enrollment and Reimbursement**. To the extent Franchisee indicates to SEF that Franchisee or a Micro-Franchisee desires to provide services to patients who have coverage under Government Programs or Commercial Payors and provides SEF with Franchisee's or Micro-Franchisee's prior written request to do so, SEF will consider such request. To the extent SEF agrees to permit any Commercial Payor Enrollment or Government Enrolment, Franchisee is responsible for facilitating enrollment in, and ensuring Franchisee Micro-Franchisees or other Qualified Professionals are credentialed with, any such plans to which they submit claims for services provided to plan beneficiaries or enrollees if such enrollment and/or credentialing is required by the Commercial Payors or Government Programs. Franchisee further acknowledges and agrees that SEF's agreement to the request for Franchisee or Micro-Franchisees to enroll with, participate in or treat patients of Government Programs or Commercial Payors may require modification of the payment terms of this Agreement.

7. **Billing of Customers**. In the event SEF does not direct in writing or otherwise agree in writing to Government Enrollment or Commercial Payor Enrollment, Franchisee will act as follows: Franchisee is responsible for billing such individuals on behalf, and as a billing agent, of each Micro-Franchisee using a billing platform approved by SEF. Each Micro-Franchisee (and not Franchisee) is responsible for making all decisions concerning medical necessity, reimbursement, coding selection and billing amounts; provided, however, that Franchisee may make

recommendations or provide guidance to each Micro-Franchisee regarding the same. Each Micro-Franchisee has the right and responsibility to set fees, own revenues, establish billing protocols and invoice patients for all services provided by each Micro-Franchisee. Franchisee, to the extent allowable by law, shall be solely responsible for handling all of the recurring administrative functions and assuming the financial risks associated with billing and the collection of fees related to the services on behalf of each Micro-Franchisee. Franchisee is solely responsible for complying with applicable state and federal laws, regulations and rules that govern coding, billing, collection and claims submission and Franchisee agrees that it will indemnify and hold SEF harmless (pursuant to Franchisee's commitments under Section 12 for any of Franchisee's acts or omissions in that regard.

8. **Billing of Government Programs or Commercial Payors**. In the event of Government Enrollment or Commercial Payor Enrollment, Franchisee will act as follows: Franchisee is responsible for determining whether individuals who present themselves at the Franchised Clinic have coverage under Government Programs and/or Commercial Payors for services and for billing such individuals, Government Programs or Commercial Payors as appropriate for such services on behalf, and as a billing agent, of each Micro-Franchisee. Each Micro-Franchisee (and not Franchisee) (as the "provider" or "supplier", as such terms are defined under Government Programs), is responsible for making all decisions concerning medical necessity, reimbursement, coding selection, billing amounts, collection of copayment and/or financial responsibility amounts and compliance with Government Programs' or Commercial Payors' reimbursement requirements (including, but not limited to, compliance with Government Programs' and Commercial Payors' reimbursement requirements for non-enrolled and non-participating providers and suppliers); provided, however, that Franchisee may make recommendations or provide guidance to each Micro-Franchisee regarding the same. Each Micro-Franchisee has the right and responsibility to set fees, own revenues, establish billing protocols and invoice patients, Government Programs and/or Commercial Payors for all services provided by each Micro-Franchisee. Franchisee, to the extent allowable by law, shall be solely responsible for handling all of the recurring administrative functions and assuming the financial risks associated with insurance filing, billing and the collection of fees related to the services on behalf of each Micro-Franchisee. To the extent that any services provided by Micro-Franchisees are reimbursable by Government Programs or Commercial Payors, Franchisee is solely responsible for complying with applicable state and federal laws, regulations and rules (and Commercial Payor rules and requirements) that govern coding, billing, collection and claims submission and Franchisee agrees that it will indemnify and hold SEF harmless (pursuant to Franchisee's commitments under Section 12 for any of Franchisee's acts or omissions in that regard.

9. **Business Associate Status**. Franchisee acknowledges and agrees that its relationship with each Micro-Franchisee as described in this Agreement gives rise to a relationship by which Franchisee is a "Business Associate"

of each Micro-Franchisee that is a "Covered Entity" (as such terms are defined in 45 C.F.R. § 160.103). Franchisee will enter into a "business associate agreement" as part of the Administrative Services Agreement with each Micro-Franchisee (substantially in the form of the Business Associate Agreement exhibit to the Administrative Services Agreement). Franchisee will act in compliance with the requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and the privacy and security regulations issued by the Department of Health and Human Services at 45 C.F.R. Parts 160 and 164 (the "HIPAA Regulations"). Franchisee warrants and represents that it complies with the HIPAA Regulations that apply to business associates, including all obligations under 45 C.F.R. Part 160 and Parts 164, Subpart C, D and E that apply to "Electronic Protected Health Information" or "Protected Health Information") (referred to collectively as "ePHI"), including any ePHI that Franchisee has access to, or otherwise creates, receives, maintains or transmits on behalf of each Micro-Franchisee. Without limiting the generality of the previous sentence, Franchisee acknowledges its responsibility in providing services under the Administrative Services Agreement for assisting each Micro-Franchisee in establishing all organizational designations that may be available at a Franchised Clinic, providing and tracking all patient notices (including any "Notices of Privacy Practices (as defined in 45 C.F.R. § 164.520) and obtaining all patient "Authorizations" required by the HIPAA Regulations and applicable state law and as directed by SEF from time-to-time under this Agreement or in the Manual. Further, to the extent SEF requires, Franchisee agrees to assist each Micro-Franchisee in obtaining any "Authorization" (as defined in 45 C.F.R. § 164.508) from each patient or customer of the Micro-Franchisee prior to such Micro-Franchisee providing services to such patient/customer, to release ePHI to SEF for such purposes as described in this Agreement or the Manual; such Authorizations shall be in a format acceptable to SEF and consistent with the requirements of the HIPAA Regulations and applicable state laws. SEF may access the ePHI produced by or otherwise located on the computer system at Franchisee (or Micro-Franchisee) to the extent permitted by and consistent with the HIPAA Regulations, Authorizations and applicable state laws and consistent with the obligations of SEF as a Subcontractor Business Associate of Franchisee as further described on the attached "Subcontractor Business Associate Agreement" (defined below). SEF will further describe in the Manual the ePHI to which SEF will have access and Franchisee's obligations related to each Micro-Franchisee obtaining Authorizations from patients related to that ePHI. Notwithstanding the foregoing, Franchisee, as a Business Associate of Covered Entities, is responsible for all decisions pertaining to the use and disclosure of ePHI to SEF pursuant to this Agreement. SEF periodically will establish policies respecting the use of the ePHI. Franchisee is responsible for the ePHI that is stored on the computer system of Franchisee during the term of this Agreement and Franchisee is solely responsible for maintaining ePHI for such periods of time as may be required under applicable provisions of federal or state law.

10. **Subcontractor Business Associate Agreement**. Franchisee will enter into the attached Subcontractor Business Associate Agreement with SEF attached hereto as Exhibit V, to reflect any Subcontractor Business Associate relationship between SEF and Franchisee, as SEF determines in its sole discretion to exist. SEF shall have access to the ePHI in accordance with the Subcontractor Business Associate Agreement.

12. The Parties' Relationship; Confidentiality and Non-Competition; Client Data; Fundamental Regulatory Change.

a. **Independent Status.** Franchisee is an independent legal entity from SEF and its Related Parties, and Franchisee agrees to make this fact clear in Franchisee's dealings with suppliers, lessors, government agencies, employees, independent contractors, clients and all other entities and individuals. Franchisee will rely on Franchisee's own knowledge and judgment in making business decisions, subject only to the requirements of this Agreement and the Manuals. Franchisee will not expressly or implicitly hold out itself as an employee, partner, shareholder, member, joint venturer or representative of SEF or any of its Related Parties. All business cards, stationery, purchase order forms, invoices, leases, and other documents that Franchisee uses in its business dealings with clients, suppliers, lessors, government agencies, employees and independent contractors must clearly identify Franchisee as an independent legal entity. Franchisee must post a sign at the Authorized Site stating that it is an independently owned and operated Structural Elements® franchised business. Further, Franchisee will not expressly or implicitly state or suggest that Franchisee has the right or power to bind SEF or its Related Parties or to incur any liability on their behalf. Without limiting the generality of any of the foregoing, it is Franchisee's responsibility to ensure that Franchisee, each Micro-Franchisee, and any Qualified Professionals providing services in the Designated Area hold themselves out to the public and any Commercial Payors and/or Government Programs as the provider of health care or healing arts services.

b. **Indemnification.** Franchisee shall, to the fullest extent permissible under applicable law, indemnify and hold SEF, SEF's owners and affiliates, and their respective officers, directors, employees, and agents, harmless against any and all claims arising directly or indirectly from, as a result of, or in connection with this Agreement, Franchisee's operation of the business conducted under this Agreement, Franchisee's actions and inaction, or Franchisee's breach of this Agreement (including the Health Care Representations and Warranties described in Section 11.r of this Agreement), including those alleged to be caused by SEF's negligence, as well as the costs, including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by SEF's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event SEF incurs any costs or expenses, including legal fees (including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), travel expenses, and other charges, in connection with any proceeding involving Franchisee in which SEF is not a party, Franchisee shall reimburse SEF for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section 12.b shall survive the termination or expiration of this Agreement.

c. **Confidentiality.**

i. **Confidential Information.** Franchisee acknowledges and agrees that all Confidential Information is exclusively owned by SEF as its intellectual property. During the term of this Agreement, Franchisee shall retain the Confidential Information of SEF in confidence, shall not use any such Confidential Information for its own benefit (except in performance of this Agreement or any Successor Agreement) or for the benefit of any third party, and shall not disclose any such Confidential Information to any third party (except as expressly provided in this Agreement). Notwithstanding the above, Confidential Information which qualifies as a Trade Secret shall be maintained in confidence for the maximum period of time permitted by the applicable law therefore. Moreover, the Client Data collected through the Franchised Clinic's operation is a joint asset of the parties, but solely for the use by Franchisee under a franchise agreement with SEF or transfer by Franchisee to an approved assignee of the Franchised Clinic. To guarantee its maintenance of the confidentiality of the Client Data, and to comply with HIPAA, SEF shall execute a Business Associate Agreement in favor of Franchisee, the form of which is in Exhibit V of this Agreement. Franchisee must obtain signed agreements from each of Franchisee's independent contractors, employees and agents to safeguard the Confidential Information, including business associate agreements from independent contractors who will have access to the Client Data. However, any provision to the contrary notwithstanding, it shall not be a violation of the Franchisee's confidentiality obligation if disclosure of confidential information (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

ii. **Non-Solicitation, Non-Compete and Non-Disclosure Agreements.** Franchisee must obtain a written non-solicitation, non-compete and non-disclosure agreement, substantially in the form attached as Exhibit III to this Agreement from each of Franchisee's owners, owners' spouses, Designated Managers and Qualified Professionals as SEF may require within the timeframe that SEF designates or prescribes. Franchisee will provide SEF a copy of each such agreement immediately following its execution.

d. **Non-competition and Non-solicitation Covenants.**

i. **Non-competition.**

1. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including information regarding the operational, sales, promotional, and marketing methods and techniques of SEF and the System. During the term of this Agreement, except as otherwise approved in writing by SEF, neither Franchisee nor its Related Parties shall, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with any person(s), partnership, corporation or other business entity:

a. divert or attempt to divert any business or customer of any Clinic using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the System; and

b. except as otherwise approved in writing by SEF, own, maintain, operate, engage in, or have any interest in any "**Competitive Business**," which shall mean any business or enterprise offering physical therapy, chiropractic, massage therapy, or acupuncture/dry needling services.

2. Except as otherwise approved in writing by SEF, neither Franchisee nor its Related Parties shall, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 14 below; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this section; either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, or corporation, or other business entity), own, maintain, operate, engage in, or have any interest in any Competitive Business which is, or is intended to be, located within a ten (10) mile radius of any Clinic at the time that the obligations under this Section 12.d commence.

3. Notwithstanding the foregoing, Franchisee's employment, if Franchisee is an individual, as a medical provider, physical therapist, massage therapist, chiropractor or acupuncturist at not more than one (1) practice location for not more than one (1) employer shall not constitute a violation of the provisions of this Section 12.d.i.3; provided, however, that (a) Franchisee shall not teach to any other person the Methods and (c) Franchisee shall have no involvement with any person or business entity which uses the Methods or otherwise engages in the dissemination of the proprietary methods of the Franchised Clinic.

ii. **Non-solicitation and Other Restrictions.** Franchisee covenants that during the term of this Agreement, including any renewal terms, and for a period of two (2) years immediately following the expiration or termination of this Agreement or any renewal term of this Agreement (regardless of cause), Franchisee will not, either directly or indirectly, for itself or through, on behalf of or in conjunction with any person, persons, partners, or corporation, solicit, encourage, or induce (or attempt to solicit, encourage, or induce) any client or customer with whom SEF has a business relationship to cease doing business with (or alter or reduce its business relationship with) SEF.

iii. **General Provisions.** The parties acknowledge that the covenants contained in this Section 12.d. are based on the reason and understanding that Franchisee and its Related Parties will possess knowledge of SEF's business and operating methods and confidential information, disclosure and use of which would prejudice the interests of SEF and the System. Franchisee further understands and acknowledges

the difficulty of ascertaining monetary damages and the irreparable harm that would result from breach of these covenants, and agrees that, in the event of the actual or threatened breach of this Section 12.d. by Franchisee or any other Related Party, SEF will be entitled to an injunction restraining such person from any such actual or threatened breach, in addition to any other relief to which SEF may be entitled in law or equity. If any part of this restriction is found to be unreasonable in time or geographic scope, such time or scope may be reduced by appropriate order of any court with proper jurisdiction to that deemed reasonable. Franchisee further acknowledges and agrees that the provisions of this Section 12.d. shall be tolled during any default under this Section 12.d.

e. **Fundamental Regulatory Change**. If there is a conflict between SEF's standards and specifications and applicable federal or state health care law or regulation (a "**Fundamental Regulatory Change**"), Franchisee will: (i) comply with the requirements of applicable law, (ii) immediately provide SEF with written notice of said conflict, and (iii) promptly and fully cooperate with SEF and SEF's counsel in determining the most effective way, if possible, to comply with the standard and specification, or revise the terms of this Agreement or the requirements outlined in the Manuals to ensure compliance with applicable law. If Franchisee disagrees with SEF's determination that a Fundamental Regulatory Change has occurred, the issue of whether a Fundamental Regulatory Change exists shall be determined by (a) SEF's counsel with the concurrence of Franchisee's counsel, (b) Franchisee's counsel with the concurrence of SEF's counsel, or (c) if SEF and Franchisee counsel cannot concur, by a nationally recognized law firm with expertise in health care law that SEF and Franchisee jointly select. If SEF and Franchisee cannot mutually agree to amend this Agreement in writing or taking other appropriate steps to address the Fundamental Regulatory Change within ninety (90) days after such notice of the existence of a Fundamental Regulatory Change is given, then either party may elect to terminate this Agreement immediately upon written notice to the other party without further liability (except for any post-termination obligations under this Agreement), provided however, that if the implementation of any such Fundamental Regulatory Change is stayed on account of any administrative appeal or any suit filed in a court of competent jurisdiction, the right to amend or terminate as set forth above will also be stayed during the period of such stay. In addition, SEF may unilaterally alter the terms of this Agreement in response to such Fundamental Regulatory Change as SEF determines in its sole discretion to exist for up to ninety (90) days during the time in which SEF is negotiating with Franchisee about the matter.

13. Transfer by SEF. SEF may sell, transfer or assign this Agreement or any rights or obligations created hereunder at any time and for any reason without Franchisee's consent, provided that the assignee expressly agrees in writing to assume SEF's obligations under this Agreement. In the event of a sale, transfer or assignment by SEF of this Agreement or any interest herein, to the extent that the purchaser, transferee or assignee assumes the covenants and obligations of SEF under this Agreement, SEF will thereupon and without further agreement, be freed and relieved of all liability with respect to such covenants and obligations.

14. Transfer by Franchisee.

a. **Purpose of Conditions of Approval of Transfer.** SEF's grant of this Franchise is made in reliance upon the integrity, ability, experience and financial resources of Franchisee, or, if Franchisee is an entity, of each owner of a Substantial Interest in Franchisee, each of whom has executed the Guarantee, Indemnification and Acknowledgment, the form of

which is attached as Exhibit VI to this Agreement. Accordingly, neither the Franchisee, this Agreement, the Franchised Clinic operated under this Agreement, nor any stock or ownership interest in Franchisee may be transferred unless Franchisee has first obtained SEF's written consent. SEF will not unreasonably deny or delay its consent to a Transfer; however, to ensure that no Transfer jeopardizes the Marks, the Structural Elements franchise system, or SEF's interest in the successful operation of the Franchised Clinic, SEF must consent to a Transfer only if Franchisee complies with all provisions of this Section 14.

b. **Conditions for Consent to Transfer.** To obtain SEF's consent for a proposed Transfer, Franchisee and the proposed transferee must satisfy the following nonexclusive conditions. SEF may further condition approval of any proposed transfer based upon any additional considerations that SEF reasonably deems material to its decision whether to approve or disapprove a proposed Transfer (all requirements imposed by this Section 14.b. are collectively referred to as "**Conditions of Transfer**").

   i. The proposed transferee must meet all of the criteria of character, business experience, financial responsibility, net worth and other standards that SEF customarily applies to new franchisees;

   ii. Franchisee must pay all outstanding debts to SEF and its Related Parties;

   iii. Franchisee must cure all defaults under this Agreement, any other agreement(s) between SEF or its Related Parties and Franchisee, and the Manuals;

   iv. Franchisee must provide SEF with a complete copy of all contracts, agreements and related documentation between Franchisee and the proposed transferee related to the intended transfer;

   v. If Franchisee is financing the transfer, Franchisee must guarantee the proposed transferee's performance under the Franchise Agreement until the proposed transferee's loan to Franchisee is satisfied;

   vi. The proposed transferee must execute SEF's then-current form of franchise agreement, appropriately amended in light of the fact that the business is already operational, or if the transfer is of ownership interests in the Franchisee entity, then the transferee must execute a personal guaranty of the Franchisee's ongoing obligations under this Agreement;

   vii. The proposed transferee or its Principal Owner must successfully complete the Owner Training Program, Pre-Opening Training Program and any other required training programs to SEF's reasonable satisfaction;

   viii. Franchisee must execute a general release, under which Franchisee and Franchisee's Related Parties release SEF and its Related Parties from all claims existing as of the date of Transfer;

   ix. Franchisee or the proposed transferee must pay SEF a transfer fee (the "**Transfer Fee**") in an amount equal to:

1. Twenty-five percent (25%) of the then-current Initial Franchise Fee if to an owner of an existing, operating Clinic;

2. Fifty percent (50%) of the then-current Initial Franchise Fee if to a person who is new to Structural Elements; or

3. One Thousand Dollars ($1,000) for the transfer of an interest of less than a Substantial Interest in Franchisee; and

x. The proposed transferee must satisfy all of the Health Care Representations and Warranties.

xi. Franchisee must fully comply with SEF's right of first refusal as set forth in Section 14.c., below.

c. **SEF's Right of First Refusal.** If during the term of this Agreement, Franchisee or any Related Party enters into an agreement to sell any Substantial Interest in Franchisee or the Franchised Clinic (whether by sale of assets, sale of equity interest, merger, consolidation or otherwise or the Franchisee's rights under this Agreement), before completing such a sale, Franchisee or such Related Party must offer the same to SEF in writing at the same price and on the same terms or the monetary equivalent, which offer SEF may accept at any time within twenty-one (21) days after receipt thereof or determination of the monetary equivalent, and after receiving all information requested from the prospective purchaser pursuant to Section 14.b.i. above, whichever is later. If the parties cannot agree on a reasonable monetary equivalent, the monetary equivalent will be determined by three (3) independent, certified business appraisers chosen in the following manner: each party must promptly select one appraiser, and the two appraisers so chosen will promptly select a third appraiser. The decision of the majority of the appraisers so chosen will be conclusive. Each party will be responsible for the costs and expenses of the appraiser it selects and the cost of the third appraiser will be shared equally by the parties. If SEF declines or does not within such 21-day period accept such offer, then Franchisee or such Related Party may make such Transfer to such purchaser provided SEF approves of such purchaser in accordance with Sections 14.a. and 14.b. hereof, but not at a lower price nor on more favorable terms than have been offered to SEF. If Franchisee fails to complete such Transfer within ninety (90) days following the refusal or failure to act by SEF, or if there is any material change in the terms of the agreement, then this right of first refusal by SEF will again be applicable as in the case of an initial agreement.

d. **Changes of Ownership Considered Not to be Transfers.** As used in this Agreement, the term "Transfer" does not mean an assignment to any business entity Franchisee forms to operate the Franchised Clinic if Franchisee owns all interests in that business entity. If Franchisee chooses to form a business entity to use in operating the Franchised Clinic, Franchisee must promptly submit to SEF: (i) proof that the business entity has been registered in Franchisee's state, and (ii) a statement of the address where company records are maintained. SEF and Franchisee will then execute an assignment of Franchisee's obligations under this Agreement to the new entity; **provided, however, that no such assignment will relieve the original party of any of its obligations under this Agreement.**

e. **Assignment upon Death or Permanent Disability.**

i. If Franchisee or Franchisee's Principal Owner dies or suffers a Permanent Disability within the Initial Term or subsequent terms of this Agreement (a "**Triggering Event**"), Franchisee's or its Principal Owner's heirs or beneficiaries, as applicable, will have one hundred twenty (120) days from the Triggering Event within which to demonstrate to SEF's satisfaction that they meet the criteria of character, business experience, financial responsibility, net worth and other standards that SEF requires of new franchisees at that time. If SEF approves one or more of Franchisee's or its Principal Owner's heirs or beneficiaries as assignees of the Franchised Clinic (or as the replacement Principal Owner of Franchisee) and such individuals meet all other Conditions of Transfer, SEF will waive the Transfer Fee in connection with an assignment of the franchise to such individuals. If SEF advises Franchisee's or its Principal Owner's heirs or beneficiaries in writing that SEF will not approve them as transferees of the franchise or as the replacement Designed Owner, or if SEF fails to approve or disapprove such an assignment within one hundred twenty (120) days following the date of the Triggering Event, Franchisee's or its Principal Owner's heirs or beneficiaries will then have one hundred twenty (120) days from the date of disapproval of the assignment or the end of the original one hundred twenty (120)-day period, whichever is first, within which to find and notify SEF of a proposed Transfer to a qualified buyer in conformity with all of the Conditions of Transfer. If Franchisee's or its Principal Owner's heirs or beneficiaries do not advise SEF of a qualified buyer within the specified period, SEF may immediately terminate this Agreement.

ii. If a Principal Owner or Designated Manager is not operating the Franchised Clinic following a Triggering Event, SEF may send one (1) of its representatives to operate the Franchised Clinic during the period between the Triggering Event and the transfer or termination of this Agreement pursuant to this Section 14.e. In addition to Royalty Fees (including Minimum Monthly Royalties), SEF will be entitled to a reasonable management fee for the services provided by its representative, not to exceed Two Hundred Dollars ($200) per day, plus expenses. Under no circumstances will SEF incur any liability whatsoever to Franchisee, its heirs, beneficiaries or assigns, arising from acts or omissions undertaken by SEF's representatives in operating the Franchised Clinic pursuant to this Section 14.e.

15. Termination by SEF; Other Remedies.

a. **Defaults with Opportunity to Cure.** SEF may terminate this Agreement if Franchisee fails to cure any of the followings defaults within the time period provided following notice of such default from SEF:

i. Fifteen (15) days to cure in the event that Franchisee: (1) fails to begin operation of the Franchised Clinic within three hundred and sixty-five (365) days of the Effective Date; (2) fails to operate the Franchised Clinic under supervision of a Principal Owner or approved Designated Manager; or (3) allows any required insurance policies to lapse;

ii. Five (5) days to cure if Franchisee fails or refuses to make any payments due to SEF; or

iii. Except as otherwise provided in Sections 15.a.i. and 15.a.ii., thirty (30) days to cure if Franchisee fails to comply with any other obligations under this Agreement, breaches any representation or warranty including the Health Care Representations and Warranties, or otherwise fails to comply with obligations of any other agreement between Franchisee and SEF.

iv. Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to SEF's satisfaction, and by promptly providing proof thereof to SEF within the prescribed cure period (or such longer period as applicable law may require). If any such default is not cured within the specified time (or such longer period as applicable law may require), this Agreement and all rights granted hereunder will terminate without further notice to Franchisee, effective immediately upon the expiration of the prescribed cure period (or such longer period as applicable law may require).

v. If a breach described in this Section 15.a. is of a nature which cannot reasonably be cured within the prescribed cure period and Franchisee is making a good faith effort to cure, SEF, at its option, may provide Franchisee with additional time to complete the cure.

b. **Defaults with No Opportunity to Cure.** SEF may terminate this Agreement immediately upon providing notice of default to Franchisee for any of the following defaults:

i. Franchisee or a Related Party has made any material misrepresentation in connection with the acquisition of the franchise or the Franchised Clinic, or has induced SEF to enter into this Agreement through fraud or material misrepresentations;

ii. The Franchised Clinic is not under the management of a Designated Manager, as specified under Section 11.c, for a period that exceeds ninety (90) days;

iii. Franchisee becomes insolvent, is adjudicated bankrupt, or files or has filed against it a petition in bankruptcy, reorganization or similar proceeding;

iv. Franchisee or its Principal Owner is convicted of or pleads no contest to any felony or any other type of crime or offense that is likely to adversely affect the reputation of the SEF, the System or the goodwill associated with the Marks;

v. Franchisee is found to have violated professional licensing regulations by a competent government or other regulatory authority in a legal proceeding or in an administrative action, or Franchisee fails to cure a health or safety hazard, or licensing violation, within seventy-two (72) hours of notice from the appropriate authority;

vi. Franchisee or its Principal Owner commits any act which can be reasonably expected to materially impair or detrimentally impact the goodwill associated with the Marks;

vii. Franchisee knowingly maintains false books or Franchisee submits one or more materially false reports to SEF, or Franchisee denies SEF's authorized representatives access to Franchisee's books and records during an audit or inspection;

viii. Franchisee attempts to make any unauthorized transfer of this Agreement, the Franchised Clinic, or an interest in Franchisee;

ix. Franchisee ceases to operate the Franchised Clinic for more than seven (7) calendar days without SEF's prior written consent, unless operations are suspended for a period of no more than one hundred eighty (180) days and the suspension is caused by fire, natural disaster, or other force majeure; provided that, the occurrence of any force majeure event shall not relieve Franchisee of its obligation to make fee payments due to SEF, including, but not limited to, Royalty Fees and the Brand Building Contribution;

x. Franchisee substantially misuses the Marks or the System, or Franchisee uses in connection with the operation of the Franchised Clinic any names, marks, systems, logotypes or symbols that SEF has not authorized in writing;

xi. Franchisee's lease for the Authorized Site is terminated due to default;

xii. Any other franchise agreement between SEF and Franchisee or Related Party or the Administrative Services Agreement is terminated due to default;

xiii. Franchisee fails to pay taxes owed or comply with other governmental requirements applicable to the Franchised Clinic within thirty (30) days of receiving notice from us or a governmental agency of such violation;

xiv. Franchisee receives three (3) or more notices of default under this Agreement during a twelve (12) month period;

xv. Franchisee fails to have sufficient funds available to cover a check written by Franchisee, or Franchisee's account balance is insufficient to cover an EFT on three (3) or more occasions within any twelve (12) month period; or

xvi. Franchisee's Designated Manager, Principal Owner or other designee has unexcused absences from two consecutive Regional Training Sessions.

c. **Interest in Administrative Services Agreement**. Upon expiration or termination of this Agreement, Franchisee's right to act as a SEF Unit Franchisee for SEF in the Designated Area shall terminate immediately and, at SEF's option and without compensation to Franchisee or any Franchisee, all rights granted to Franchisee under this Agreement and the individual Administrative Services Agreements in effect will revert to SEF, except for those provisions with obligations that continue beyond the termination of this Agreement. SEF may, upon sixty (60) days' written notice to each Micro-Franchisee located in the Designated Area, elect to assign its rights under the Administrative Services Agreement to which each Micro-Franchisee is a party. Franchisee shall not attempt to influence any Micro-Franchisee to cease operating or performing under a franchise agreement with SEF or the Administrative Services Agreement.

16. SEF Option to Terminate. SEF may terminate this Agreement if SEF determines that applicable laws in the state where the Franchised Clinic is located will render unenforceable any provision of this Agreement that SEF deems material. If SEF exercises its option to terminate this Agreement, SEF may terminate the Agreement by giving Franchisee ninety (90) days written notice of such termination.

17. **Rights and Obligations after Termination.** Upon expiration or termination of this Agreement for any reason (any such event being a "**Termination**"), SEF and Franchisee will have the following rights and obligations:

a. SEF will have no further obligations under this Agreement;

b. Franchisee must immediately and permanently stop using the Marks and any confusingly similar marks; the System; and any advertising, signs, stationery, or forms that bear identifying marks or colors that might give others the impression that Franchisee is operating a Franchised Clinic or otherwise remains affiliated with SEF;

c. Franchisee must cease all use of the Intellectual Property and the Client Data;

d. Franchisee must give SEF a final accounting for the Franchised Clinic and pay SEF and its Related Parties within thirty (30) days of Termination all payments due, including, without limitation, outstanding Royalty Fees. Franchisee will maintain all records required by SEF under this Agreement for a period of not less than three (3) years after final payment of any amounts Franchisee owes to SEF or its Related Parties on the date of Termination of this Agreement;

e. Franchisee must return to SEF, cease using, and permanently destroy all electronic copies of the Manuals, including any revisions thereto, and any other property belonging to SEF or its Related Parties;

f. Franchisee must promptly sign any and all documents and take any steps that, in the judgment of SEF, are necessary to: (i) delete Franchisee's listings for the Franchised Clinic from print and online classified telephone directories, or assign them to SEF at SEF's option; (ii) at SEF's option, assign the telephone numbers used in connection with the operation of the Franchised Clinic to SEF; (iii) assign all social media properties of Franchisee to SEF; and (iv) terminate all other references that indicate Franchisee is or was affiliated with SEF. By signing this Agreement, Franchisee irrevocably appoints SEF as Franchisee's attorney-in-fact to take the actions described in this paragraph if Franchisee does not do take such actions on its own behalf within seven (7) days after Termination of this Agreement. Franchisee must execute the Telephone Assignment Agreement attached as Exhibit VII currently with the execution hereof for the purpose of facilitating enforcement of SEF's rights under this Section 17.f.;

g. Franchisee must fully comply with the post-termination non-competition and non-solicitation provisions contained in Section 12.d. of this Agreement and the confidentiality obligations in Section 12.c.;

h. **SEF's Option to Assume Lease**. Except in the case of a renewal under Section 3.b., if this Agreement expires or is terminated or canceled for any reason, SEF will have the option to assume Franchisee's leasehold interest in and to any real estate upon which the Franchised Clinic is located, pursuant to the Option for Assignment of Lease, substantially in the form attached hereto as Exhibit II;

i. If SEF assumes the lease pursuant to Section 17.h., then Franchisee must transfer to SEF all Client Data and information to the extent permitted by HIPAA and other applicable laws and regulations. To the extent that client permission is required to transfer any Client

Data, Franchisee promises to promptly and fully cooperate with SEF to obtain such Client Data;

j. Franchisee must transfer to SEF all information related to any marketing partners, advertising programs and referral sources of Franchisee and Franchisee must take all steps reasonably requested by SEF to transfer any related contracts, agreements, plans and business related thereto to SEF; and

k. **SEF's Option to Purchase Tangible Assets.** Except in the case of a renewal under Section 3.b., if this Agreement expires or is terminated or canceled for any reason, SEF will have the option to purchase Franchisee's tangible assets for their fair market value. SEF, in its discretion, may exercise the option provided in this Section 17.m. as to all or any amount less than all of Franchisee's tangible assets.

18. No Limitation of Remedies after Termination. If the Franchise granted in this Agreement is terminated because of Franchisee's default, the rights of SEF described in Section 17 will not constitute SEF's exclusive remedies, but will instead supplement any other equitable or legal remedies available to SEF. Except as otherwise expressly provided in this Agreement, termination of this Agreement will not extinguish any obligation of either party that accrued prior to termination, including, without limitation, Franchisee's obligation to pay Royalty Fees, Minimum Monthly Royalties and the Brand Building Contributions. All obligations of the parties, which by their terms or by reasonable implication are to be performed in whole or in part after termination of this Agreement, will survive termination of this Agreement.

19. Arbitration. All disputes or claims relating to this Agreement or any other agreement entered into between SEF or its Related Parties and Franchisee or Franchisee's Related Parties, the rights and obligations of SEF or its Related Parties and Franchisee or Franchisee's Related Parties, or any other claims or causes of action relating to the making, interpretation, or performance of the parties under this Agreement or any other agreement, shall be resolved by binding arbitration at a location within twenty (20) miles of the city where SEF's headquarters are located as of the date the arbitration demand is filed before the AAA in accordance with the Federal Arbitration Act, the Commercial Arbitration Rules of the AAA, as amended, and for any appeal, the AAA Appellate Arbitration Rules or such successor rules then in effect, except that there shall be no consolidated, common, or class action arbitration and Franchisee and its Related Parties waive any and all rights to proceed on a consolidated, common, or class action basis, or to seek joinder of any of Franchisee's claims with those of any other party. The following shall supplement the rules of the AAA and, in the event of a conflict, shall govern any arbitration: If the claim is for less than $30,000, then the matter shall be heard before a single arbitrator selected from the AAA list of arbitrators. If the claim, or a counterclaim, is for $30,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint its own arbitrator, and the appointed arbitrators shall appoint a third arbitrator who shall be the chair of the arbitration panel and must be a retired federal court or state court judge. The parties agree to be bound by the award, and each party must bear its own costs of arbitration including the fee for its respective arbitrator; provided, however, that the single or third arbitrator's fee shall be shared equally by the parties. The arbitration proceedings and arbitration award shall be maintained by the parties as strictly confidential, except as is otherwise required by law or court order or as is necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors. The arbitrators shall have no authority to determine class action claims and shall have no authority to amend or modify the terms of this Agreement. No issue of fact or law determined in the arbitration shall be given preclusive or collateral estoppel effect in any other arbitration, except to the extent such issue arises in another proceeding between the parties. Judgment upon

the award of the arbitrator shall be submitted for confirmation to the federal district court or the circuit court where SEF's headquarters are then-located and, if confirmed, may be subsequently entered in any court having competent jurisdiction. The parties shall not be required to arbitrate a dispute or claim as set forth in this Section 19.4 if such dispute or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks or in the System or (ii) any of the confidentiality requirements or any restrictive covenants contained in this Agreement. This agreement to arbitrate shall survive any termination or expiration of this Agreement. The parties hereto recognize, and any arbitrator is affirmatively advised, that certain provisions of this Agreement describe SEF's right to take (or refrain from taking) certain actions in the exercise of SEF's business judgment based on its assessment of the overall best interests of the System. Where such discretion has been exercised, and is supported by SEF's business judgment, no arbitrator may substitute his or her judgment for the judgment so exercised by SEF.

20. General Dispute Resolution Provisions.

a. **Waiver of Jury Trial. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL, INCLUDING TRIAL BY JURY, WITH REGARD TO ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER.**

b. **Injunctive Relief.** Franchisee recognizes that Franchisee is a member of a network of franchises and that Franchisee's acts and omissions may have a positive or negative effect on the success of other businesses operating under and in association with the Marks. Failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to SEF and to some or all of the other franchisees of SEF. For these reasons, Franchisee agrees that if SEF can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Franchisee's breach or threatened breach of any of the terms of this Agreement, SEF will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage, until a final determination is made by an arbitrator pursuant to Section 19 of this Agreement.

c. **Waiver of Punitive Damages. SEF AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOST FUTURE PROFITS OR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT, AND ANY CLAIM TO LIQUIDATED DAMAGES.**

d. **Individual Dispute Resolution.** Any arbitration or other dispute resolution proceedings between or among the parties to this Agreement and any of their Related Parties will be conducted on an individual basis and not on a consolidated or class-wide basis.

e. **Consent to Jurisdiction.** Franchisee and SEF have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee or its Related Parties and SEF or its Related Parties, the venue for any judicial proceedings will be in the federal courts hearing cases in the state and county in which SEF then maintains its principal place of business, unless such courts

do not have subject matter jurisdiction over such dispute, in which case the court to hear the dispute will be the state court of general jurisdiction located in the county in which SEF maintains its principal place of business. Each party waives any objection they may have to the personal jurisdiction of or venue in such federal or state court, as applicable.

f. **Costs and Attorneys' Fees.** If SEF or Franchisee prevails in any judicial proceeding to enforce any provision of this Agreement, such prevailing party will be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, incurred in connection with such proceeding.

21. Miscellaneous Provisions.

a. **Notices.** The parties to this Agreement should direct any notices to the other party at the address of such party as identified in this Agreement or at another address if advised in writing that a party's address has been changed. Notice may be delivered by facsimile or email (with simultaneous mailing of a copy by first class mail), courier, or first class mail. Notice by facsimile or email will be considered delivered upon transmission; by courier, upon delivery; and by first class mail, three (3) days after posting.

b. **Governing Law.** This Agreement takes effect upon its acceptance and execution by SEF. Except for disputes between the parties over the Marks and Copyrighted Works (which shall be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 *et seq.*) and the U.S. Copyright Act of 1976 (17 U.S. Code § 101 *et seq.*), this Agreement shall be interpreted and construed exclusively under the laws of the state of Maryland, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Maryland choice-of-law rules); provided, however, that if the covenants in Section 12.d of this Agreement would not be enforceable under the laws of Maryland, and the Franchised Clinic is located outside of Maryland, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Clinic is located. Nothing in this Section 21.b is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or similar law, rule, or regulation of Maryland to which this Agreement would not otherwise be subject.

c. **Modifications and System Changes**. Franchisee agrees to comply with SEF's mandatory standards and specifications as outlined in this Agreement and the Manuals. If there is a conflict between SEF's standards and specifications and applicable law, Franchisee shall: (1) comply with the requirements of applicable law, (ii) immediately provide SEF with written notice of said conflict, and (iii) promptly and full cooperate with SEF and its counsel to determine the most effective way, if possible, to comply with the standard and specification, or revise the terms of this Agreement or the requirements outlined in the Manuals to ensure compliance with applicable law. Franchisee also acknowledges that, similar to any other business, evolving technologies and consumer preference, and changes to the laws governing the operation of the Unit Franchise Business may require that SEF modify or change the System. Franchisee agrees to immediately comply with all such modifications or changes to the System upon notice from SEF. If the parties are unable to reasonably agree to such modifications to this Agreement, SEF may terminate this Agreement pursuant to SEF's option to terminate in Section 17.

d. **Construction.** Section headings in this Agreement are for reference purposes only and will not in any way modify the statements contained in any section of this Agreement. Each

word in this Agreement may be considered to include any number or gender that the context requires. If there is any conflict between this Agreement and the Manuals, this Agreement will control. The words "include" and "including" will be construed to include the words "without limitation."

e. **Amendments.** This Agreement may be amended only by a document signed by all of the parties to this Agreement or by their authorized agents.

f. **Waiver.** No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by SEF or Franchisee will be considered to imply or constitute a further waiver by SEF or Franchisee of the same or any other condition, covenant, right, or remedy.

g. **Integration.** This Agreement and any exhibits or attachments hereto constitute the entire agreement between the parties concerning the franchise granted herein. Any other agreements and representations made between the parties with respect to the franchise granted herein are hereby superseded by this Agreement, except that SEF does not disclaim any of the representations made in the Franchise Disclosure Document provided to Franchisee in connection with the grant of this franchise. No officer, employee, or other servant or agent of SEF or Franchisee is authorized to make any representation, warranty, or other promise not contained in this Agreement. No change, termination, or attempted waiver or cancellation of any provision of this Agreement will bind SEF or Franchisee unless in writing and signed by SEF and Franchisee or by their authorized agents.

h. **Severability.** Each provision of this Agreement will be considered severable. If, for any reason, any provision of this Agreement is determined to be invalid or in conflict with any existing or future law or regulation, that provision will not impair the operation of the remaining provisions of this Agreement. The invalid provisions will be considered not to be a part of this Agreement. However, if SEF determines that the finding of illegality adversely affects the basic consideration for its performance under this Agreement, SEF may, at its option, terminate this Agreement.

i. **Approval.** If (a) Franchisee is a corporation, all officers and owners of a Substantial Interest, or (b) Franchisee is a partnership, all Franchisee's general partners, or (c) Franchisee is a limited liability company, all Franchisee's members owning a Substantial Interest, must: sign and approve this Agreement and agree to the restrictions placed on their conduct, including restrictions on the transferability of their interests in the franchise and the Franchised Clinic and limitations on their rights to compete.

j. **Acceptance by SEF.** This Agreement will not be binding on SEF unless and until an authorized officer of SEF has signed it.

k. **Disclaimer of Representations.**

i. SEF TECHNOLOGY DISCLAIMER: "**SEF TECHNOLOGY**" SHALL MEAN THE PROPRIETARY, INTERNET-BASED MATERIALS THAT FRANCHISEE LICENSES FROM SEF UNDER THIS AGREEMENT, ANY EMAIL ADDRESS SEF PROVIDES FRANCHISEE UNDER THIS AGREEMENT, ANY SEF EXTRANET, ANY SEF WEBSITE, ANY SEF NETWORKING MEDIA SITE, ANY SEF-RECOMMENDED SOFTWARE, ANY SEF-RECOMMENDED HARDWARE, ANY SEF-OWNED OR

LICENSED TECHNOLOGY FRANCHISEE OR SEF USES, CLIENT RELATIONSHIP MANAGEMENT SOFTWARE AND ELECTRONIC MEDICAL RECORDS SOFTWARE. SEF MAKES NO REPRESENTATIONS OR PROMISES THAT THE SEF TECHNOLOGY OR ANY COMPUTER SYSTEM OR PROGRAM USED BY FRANCHISEE OR ANY COMPUTER IN WHICH SUCH SEF TECHNOLOGY IS OR MAY BE OPERATING WILL BE ERROR FREE OR FREE OF ANY E-PROBLEM. SEF MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, WHETHER SUCH WARRANTY BE EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY WARRANTY FROM COURSE OF DEALING OR USAGE OF TRADE WITH RESPECT TO ANY OF THE SEF TECHNOLOGY OR ANY RELATED DOCUMENTATION, MATERIAL, TRAINING OR ASSISTANCE. THE SEF TECHNOLOGY AND ANY RELATED DOCUMENTATION, MATERIAL, TRAINING, AND ASSISTANCE ARE PROVIDED "AS IS." IN NO EVENT SHALL SEF BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, LOSSES OR EXPENSES, INCLUDING LOSS OF USE, LOSS OF PROFITS, LOSS OF DATA, OR LOSS OF GOODWILL RELATING TO FRANCHISEE'S LICENSING OR USE OF THE SEF TECHNOLOGY, EVEN IF SEF OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. SEF'S LIABILITY TO FRANCHISEE FOR ALL DAMAGES OR MONETARY PAYMENTS OF ANY NATURE FOR ALL TIME UNDER THIS AGREEMENT, WHETHER IN CONTRACT, WARRANTY OR TORT (INCLUDING NEGLIGENCE), SHALL IN NO EVENT EXCEED FRANCHISEE'S PAYMENTS TO SEF PURSUANT TO SECTIONS 4.A. AND 4.B. OF THIS AGREEMENT.

ii. GENERAL DISCLAIMER: NO REPRESENTATIONS OR PROMISES OF ANY KIND HAVE BEEN MADE BY SEF TO INDUCE FRANCHISEE TO SIGN THIS AGREEMENT EXCEPT THOSE SPECIFICALLY STATED IN THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT THAT HAS BEEN DELIVERED BY SEF TO FRANCHISEE. FRANCHISEE ACKNOWLEDGES THAT NEITHER SEF NOR ANY OF ITS AFFILIATED PARTIES, NOR ANY OTHER PERSON HAS GUARANTEED THAT FRANCHISEE WILL SUCCEED IN THE OPERATION OF THE FRANCHISED CLINIC OR HAS PROVIDED ANY SALES OR INCOME INFORMATION OF ANY KIND TO FRANCHISEE OTHER THAN THOSE PROVIDED IN THE FRANCHISE DISCLOSURE DOCUMENT. FRANCHISEE HAS MADE AN INDEPENDENT INVESTIGATION OF ALL IMPORTANT ASPECTS OF THE FRANCHISED CLINIC. FRANCHISEE UNDERSTANDS THAT SEF IS NOT A FIDUCIARY AND HAS NO SPECIAL RESPONSIBILITIES BEYOND THE NORMAL RESPONSIBILITIES OF A SELLER IN A BUSINESS TRANSACTION. FRANCHISEE FURTHER AGREES, AS AN INDUCEMENT TO THIS AGREEMENT, THAT FRANCHISEE HAS MADE NO MISREPRESENTATIONS IN OBTAINING THIS AGREEMENT.

[Remainder of Page Intentionally Blank]

IN WITNESS TO THE PROVISIONS OF THIS AGREEMENT, the undersigned have signed this Agreement on the date set forth below.

WITNESS	**STRUCTURAL ELEMENTS FRANCHISING, LLC**
_____	_____ By: Douglas Bertram Title: Authorized Member Date: _____
WITNESS	**FRANCHISEE: _____**
_____	_____ By: _____ Title: _____ Date: _____

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT I
FRANCHISEE INFORMATION

Principal Owner(s): The name and contact information for Franchisee's Principal Owners, including their ownership interest(s) in Franchisee are provided as follows:

Name of Principal Owner	Address and Telephone	E-mail address	Principal Owner Occupation	Interest %

Premises: Franchisee's Authorized Site is located at the following address:

_____.

Designated Area: Franchisee's Designated Area is described as follows:

_____
_____
_____
_____.

Date: _____

Structural Elements Franchising, LLC	_____
SEF	Franchisee
By:_____	By:_____
Name: Douglas Bertram	Name:_____
Title: Authorized Member	Title: _____
Date: _____	Date: _____

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT II
OPTION FOR ASSIGNMENT OF LEASE

This Agreement is made and entered into this _____ day of _____, 20__, by and among Structural Elements Franchising, LLC, a Maryland limited liability company with its offices at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742 ("**SEF**"); _____, with its principal office at _____ (hereinafter referred to as "**Lessor**"); and _____, with its principal offices at _____ (hereinafter referred to as "**Lessee**").

WITNESSETH:

WHEREAS, Lessor has agreed to lease to Lessee premises located at _____ for use by Lessee as a Structural Elements Clinic to be operated pursuant to SEF's System and Marks in connection with a written Franchise Agreement dated _____, 20__ and _____, 20__, by and between SEF and the Lessee herein as Franchisee;

WHEREAS, according to Section 2.b.i of the said Franchise Agreement between SEF and Lessee as Franchisee, all right, title and interest in and to the lease agreement may be assigned to SEF upon an occurrence of default or termination of the Lease referred to herein or default or termination of the said Franchise Agreement; and

WHEREAS, it is the intent of the parties hereto to provide SEF with the opportunity to preserve the leased premises as a Structural Elements Clinic in the event of any default or termination of the said Lease or Franchise Agreement and to assure Lessor that in the event SEF exercises its rights herein contained, any defaults of Lessee under the Lease will be cured by SEF before it takes possession of the leased premises.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

1. Default of Lessee under Lease. Lessor shall mail to SEF copies of any notice of default or termination it gives to Lessee concurrently with giving such notices to Lessee. If Lessee fails to cure any default within the period provided in the Lease, Lessor shall give SEF immediate written notice of such failure to cure and Lessor shall thereupon offer to SEF and SEF shall have the right to accept an assignment of the Lease or a new lease containing the same terms and conditions of the Lease, whichever SEF elects. If SEF elects to continue the use of the premises under an assignment of the Lease or a new lease, it shall so notify Lessor in writing within thirty (30) days after it has received written notice from Lessor specifying the defaults Lessee has failed to cure within the period specified in the Lease. Upon receipt of such notice from SEF, Lessor shall promptly execute and deliver to SEF an assignment of the Lease or new lease, whichever SEF requests, and shall deliver to SEF possession of the premises, free and clear of any rights of Lessee or any third party. SEF, before taking possession of the premises, shall promptly cure the defaults specified by Lessor in its notice to SEF and shall execute and deliver to Lessor its acceptance of the assignment of Lease or of the new lease, as the case may be.

2. Termination of Franchise Agreement. If the Franchise Agreement between SEF and Lessee is terminated for any reason during the term of the Lease or any extension thereof, Lessee, upon the

written request of SEF, shall assign to SEF all of its right, title and interest in and to the Lease. If SEF elects to accept the assignment of the Lease from Lessee, it shall give Lessee and Lessor written notice of its election to acquire the leasehold interest. Lessor hereby consents to the assignment of the Lease from Lessee to SEF, including all rights to renew the Lease at expiration of the then-applicable term, but subject to Lessee's and/or SEF's curing any defaults of Lessee under the Lease before SEF takes possession of the premises. Lessor and Lessee shall deliver possession of the premises to SEF, free and clear of all rights of Lessee or third parties, subject to SEF's curing any defaults of Lessee under the Lease and executing an acceptance of the assignment of Lease.

3. Waiver. Failure of SEF to enforce or exercise any of its rights hereunder shall not constitute a waiver of the rights hereunder or a waiver of any subsequent enforcement or exercise of its rights hereunder.

4. Execution of Documents. The parties hereto agree to execute any and all documents or agreements and to take all action as may be necessary or desirable to effectuate the terms, covenants and conditions of this Agreement.

5. Amendment of Lease. Lessor and Lessee agree not to amend the Lease in any respect except with the prior written consent of SEF, unless the Franchise Agreement has been terminated and SEF has not elected to assume the lease pursuant to Section 2 herein.

6. Amendment of Agreement. This Agreement may be amended only in writing signed by all parties hereto.

7. Lessee's Agreement to Vacate the Premises. .Lessee agrees to peaceable and promptly vacate the premises if Franchisee exercises its option to take assignment of the Lease or the Premises pursuant hereto. If Franchisor notifies Lessee that it is exercising its option to assume Lessee's tangible assets as provided for in Article 17. of the Franchise Agreement, then Franchisee must leave within the Premises all of its tangible assets (including any computers containing Client Data, as defined in the Franchise Agreement) and shall have a right to compensation as stated in Article 17 of the Franchise Agreement. Otherwise Franchisee must remove its personal property therefrom should SEF exercise its options as provided by this Agreement, and any property not so removed shall be deemed abandoned.

8. Delivery of Possession. If it becomes necessary for Lessor to pursue legal action to evict Lessee in order to deliver to SEF possession of the premises, SEF shall, at the written request of Lessor, pay into an interest-bearing escrow amounts necessary to cure the default, pending delivery of the premises to SEF. If Lessor is unable to deliver the premises to SEF within six (6) calendar months from the date SEF notifies Lessor of its election to acquire a leasehold interest in the premises, all amounts deposited by SEF in escrow, together with interest earned thereon, shall be returned to SEF forthwith. SEF shall not be required to cure defaults and/or begin paying rent until delivery of possession of the premises, free and clear of any of Lessee's rights or the rights of any third parties.

9. Lessee's Liability. Lessee shall remain liable for all of its obligations under the Lease notwithstanding the assignment thereof to SEF and SEF shall be entitled to recover from Lessee all amounts it has paid to Lessor to cure Lessee's defaults under the Lease.

10. Notices. All notices hereunder shall be by certified mail, UPS, FedEx or any other nationally recognized carrier (with signature required by the addressee) to the addresses herein described or to such other addresses as the parties hereto may, by written notice, designate.

11. Binding Effect. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors, assigns and legal representatives.

12. Severability. If any provision of this Agreement or any part thereof is declared invalid by any court of competent jurisdiction, such act shall not affect the validity of this Agreement and the remainder of this Agreement shall remain in full force and effect according to the terms of the remaining provisions or part of provisions hereof.

13. Remedies. The rights and remedies created herein shall be deemed cumulative and no one of such rights or remedies shall be exclusive at law or in equity of the rights and remedies which SEF may have under this or any other Agreement to which SEF and Lessee are parties.

14. Attorney's Fees. If any action is instituted by any party to enforce any provision of this Agreement, the prevailing party shall be entitled to recover all of its reasonable attorney's fees and costs incurred in connection therewith from the non-prevailing party.

15. Construction. This Agreement shall be governed by and construed in accordance with the laws of the state in which the premises are located.

IN WITNESS WHEREOF, the parties hereto have caused this Option for Assignment of Lease to be executed the day and year first above written.

WITNESS:

_____ _____
LESSOR

_____ _____
LESSEE

ATTEST:

Structural Elements Franchising, LLC

_____ By: _____
Douglas Bertram, Authorized Member

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT III
NON-SOLICITATION, NON-COMPETE AND NON-DISCLOSURE AGREEMENT

THIS NON-SOLICITATION, NON-COMPETE AND NON-DISCLOSURE AGREEMENT, dated as of the _____ day of _____, 20____ (the "**Agreement**"), is entered into by and among Structural Elements Franchising, LLC ("**SEF**"), _____ ("**Franchisee**") and _____ ("**Covenantor**").

W I T N E S S E T H:

WHEREAS, Franchisee is party to a Unit Franchise Agreement dated _____ (the "**Unit Franchise Agreement**") with Structural Elements Franchising, LLC, a Maryland limited liability company ("SEF"), and by virtue of that relationship Franchisee has access to and uses confidential information, including, but not limited to, Confidential Information (as defined herein) owned by SEF for use in the operation of a Structural Elements Clinic (the "**Clinic**") (the business of which is defined as a "**Unit Franchise Business**"), which includes specialized methods of postural assessment and therapeutic modalities which include manual therapy, soft tissue work, acupuncture/dry needling, exercise and other approved modalities (the "**Methods**"); and

WHEREAS, pursuant to the Unit Franchise Agreement with SEF, Franchisee must have Covenantor execute this Agreement prior to providing Covenantor access to said Confidential Information;

WHEREAS, pursuant to the Unit Franchise Agreement, Franchisee has agreed to establish Clinics within the area described in the Unit Franchise Agreement ("**Designated Area**") and

WHEREAS, Covenantor wishes to be granted access to certain portions of the Confidential Information as a result of training received directly from SEF.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

AGREEMENT

1. **Non-Solicitation Covenant.** Covenantor covenants that during Covenantor's employment with Franchisee (or, as applicable, ownership in Franchisee), and for a period of two (2) years after the later of: (i) that employment ends (regardless of cause) or (ii) Covenantor transfers or otherwise assigns its ownership interest in Franchisee, Covenantor will not, either directly or indirectly, for itself or through, on behalf of, or in conjunction with any person or business entity, solicit, encourage, or induce (or attempt to solicit, encourage, or induce) any client or customer with whom Franchisee or SEF has a business relationship to cease doing business with (or alter or reduce its business relationship with) Franchisee or with SEF.

2. **Non-Compete Covenant.** During Covenantor's employment with Franchisee (or, as applicable, ownership in Franchisee), and for a period of two (2) years after the later of : (i) that employment ends (regardless of cause), (ii) Covenantor transfers or otherwise assigns its ownership interest in Franchisee, or (iii) expiration or termination of the Unit Franchise Agreement, Covenantor shall not either directly or indirectly (through, on behalf of, or in conjunction with any persons, partnership, or corporation, or other business entity), own, maintain, operate, engage in, or have any interest in any Competitive Business which is, or is intended to be, located within a ten (10) mile radius of any Clinic, provided that the foregoing shall not restrict Covenantor's ability to participate lawfully in the business and operations of Franchisee. A

"**Competitive Business**" shall mean any business or enterprise offering physical therapy, chiropractic, massage therapy, or acupuncture/dry needling services.

3. **Non-Disclosure Covenant.**

   a. **Definition of Trade Secrets.** As used herein, the term "**Trade Secret**" means information including the Methods, technical or non-technical data, compilations, programs, methods, techniques, processes, financial data, financial plans or lists of actual or potential clients which derives economic value, actual or potential, from not being generally known to, and not readily ascertainable by proper means by, other persons or entities who can obtain economic value from its disclosure or use.

   b. **Definition of Confidential Information.** As used herein, the term "Confidential Information" means all client data and all information disclosed by SEF to Covenantor in the course of preparing to perform or performing under the Franchise Agreement, including information relating to the Structural Elements system ("**System**"), any Trade Secret (defined above), related documentation, specifications, and training materials, all other methods for establishing, operating and promoting the Unit Franchise Business pursuant to SEF's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, manuals, client lists and data, ideas, research and development, and such other information as may be further developed periodically by SEF or identified to Covenantor by SEF as confidential. Except with regard to client data and similar information regarding clients disclosed by SEF to Covenantor through training programs, "Confidential Information" shall not include information that Covenantor can establish, by competent proof: (i) was known to the public prior to its disclosure to Covenantor, or has become known to the public through no fault of Covenantor; or (ii) was, prior to disclosure by SEF, disclosed to Covenantor by a third party having a lawful right to make such disclosure without limitation on disclosure.

   c. **Agreement to Maintain Confidentiality of Proprietary Information.** Covenantor acknowledges and agrees that all Confidential Information is exclusively owned by SEF as its intellectual property and licensed to Franchisee solely for use in establishing Clinics. During the term of Covenantor's employment with Franchisee (or, as applicable, ownership in Franchisee), and for five (5) years after the later of: (i) that employment ends (regardless of cause) or (ii) Covenantor transfers or otherwise assigns its ownership interest in Franchisee, Covenantor shall retain the Confidential Information of both SEF and Franchisee in confidence, shall not use any such Confidential Information for its own benefit or for the benefit of any third party (except in performance of obligations that may be properly delegated to him or her by Franchisee), and shall not disclose any such Confidential Information to any third party. Notwithstanding the above, Confidential Information which qualifies as a Trade Secret shall be maintained in confidence for the maximum period of time permitted by the applicable law therefore.

   d. **Return of Confidential Information.** Covenantor will, upon termination of his or her employment with Franchisee (or, as applicable, transfer or otherwise assignment of Covenantor's ownership interest in Franchisee), or upon the request of Franchisee and/or SEF, either (i) return to Franchisee and/or SEF all originals and copies of Confidential Information (including, but not limited to, backups, analyses, reports and other information derived from such Information), in paper, electronic or other form, then in Covenantor's possession or control, or (ii) if so directed by the Franchisee and/or SEF, destroy all such Confidential Information and copies thereof. **Nothing contained in this Agreement will be construed as granting or conferring any rights by license or otherwise to Confidential Information disclosed by the Franchisee and/or SEF.**

   e. However, any provision to the contrary notwithstanding, it shall not be a violation of Covenantor's confidentiality obligation if disclosure of confidential information (A) is made (i) in confidence to a

Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Covenantor shall provide SEF reasonable advanced notice prior to such disclosure unless prohibited by law from doing so.

4. **Assignment and Assumption; SEF as Third Party Beneficiary.** This Agreement is assignable by Franchisee subject to the conditions set forth in Section 14 of the Unit Franchise Agreement with the sale or transfer of the Unit Franchise Business and therefore will inure to the benefit of Franchisee's successors and assigns as if they were signatories hereto.

5. **No Waiver; Severability.** No failure or delay by the Franchisee or SEF in exercising any right hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right or power. The provisions of this Agreement will be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof will not affect the validity and enforceability of the other provisions. In the event any provision of this Agreement is declared by a court of competent jurisdiction to be unreasonable or unenforceable, such restrictions will be deemed to have become the maximum restrictions which the court deems reasonable and enforceable.

6. **Remedies; Injunctive Relief.** Covenantor acknowledges that the breach or threatened breach of this Agreement may result in irreparable injury to Franchisee and/or SEF and that, in addition to their other remedies, Franchisee and/or SEF will be entitled to injunctive relief to restrain any threatened or continued breach of this Agreement by Covenantor. Covenantor hereby waives any requirement for the posting of a bond or other security in connection with the granting to the Franchisee and/ or SEF of such injunctive relief. Covenantor will reimburse Franchisee and/or SEF for any and all costs and attorney fees incurred by Franchisee and/or SEF to enforce the terms of this Agreement.

7. **No Employment by SEF**. Notwithstanding anything to the contrary, Covenantor acknowledges that he or she is not employed by SEF. Nothing contained in this Agreement shall confer any status of employment of Covenantor by SEF, or any right or expectation on a Covenantor to be employed by SEF.

IN WITNESS WHEREOF, each party hereto has executed or caused this Agreement to be executed under seal on his or its behalf, all on the day and year first above written.

Covenantor:

_____

Print Name: _____

Address: _____

_____

Telephone: _____

Franchisee: _____

By: _____

Print Name: _____

Print Title: _____

Structural Elements Franchising, LLC:

By: _____

Print Name: _____

Print Title: _____

(*Franchisee must provide signed version of this Agreement to SEF within 10 days of signature.*)

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT IV
FORM OF ADMINISTRATIVE SERVICES AND LEASE AGREEMENT

ADMINISTRATIVE SERVICES AND LEASE AGREEMENT

between

_____

the "Administrator"

and

_____

the "Practitioner"

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ADMINISTRATIVE SERVICES AND LEASE AGREEMENT

THIS ADMINISTRATIVE SERVICES AND LEASE AGREEMENT (the "***Agreement***") is made effective as of _____ (the "***Effective Date***") by and between _____, a _____ **[State]** [corporation / limited liability company], having its principal place of business at _____ (the ***"Administrator"),*** and _____, a _____ **[State]** professional service corporation, having its principal place of business at _____ (the "***Practitioner***") **[Note: This defined term may be adapted to correspond to the applicable business form the health care provider uses (*i.e.*, P.L.L.C.).]**.

WHEREAS, Administrator has entered into a Franchise Agreement with Structural Elements Franchising, LLC ("***SEF***") pursuant to which Administrator has the right to provide certain "***Administrative Services***" (as defined below) and make available certain space to Micro-Franchisees that operate health care or healing arts clinics in the building and physical premises owned or leased by Administrator (the "***Clinic***", as defined more specifically below) (the "***Administrator Franchise Agreement***").

WHEREAS, the Practitioner has entered into a Micro-Franchise Agreement with SEF pursuant to which Practitioner obtains the right to provide the "***Methods***" to customers of Practitioner and use the same in owning and operating a "***Practitioner Business***" (the "***Micro-Franchise Agreement***") (as such terms are defined in the Micro-Franchise Agreement).

WHEREAS, the Practitioner has been incorporated under the laws of the State of _____ to render health care or healing arts services to patients of the Practitioner and its "***Qualified Professional***" (as defined below).

WHEREAS, the Practitioner desires to establish and operate a Practitioner Business and provide health care or healing arts services in the premises located at _____ **[Note: insert address]** (the "***Clinic***") and to obtain certain equipment, furnishings, office and related space in the Clinic and administrative and other support services for the Practitioner from the Administrator.

WHEREAS, the Administrator is ready, willing, and able to provide furnishings, equipment, and space in the Clinic and Administrative Services (as defined in Section 3.2, below) to the Practitioner in connection with Practitioner's operation of the Practitioner Business.

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

1. Representations and Warranties of Practitioner.

The Practitioner hereby represents and warrants to the Administrator that at all times during the term of this Agreement:

1.1 Professional Firm. The Practitioner is a professional service corporation or other type of corporate entity duly organized, validly existing and in good standing under the laws of the State of _____ and is duly licensed and qualified under all applicable laws and regulations to engage in the practice of health care or healing arts services and the provision of services using the Methods in the State of _____. The Practitioner will provide health care or healing arts services of the "***Qualified Professional***" (as defined in Section 4.2).

1.2 Professional Licensure. Qualified Professional is duly licensed, certified, registered and otherwise qualified under all applicable laws and regulations to practice in the discipline for which such Qualified Professional is licensed, without restriction or disciplinary proceeding, and fully qualified by education, training and experience to render the professional services. Practitioner will immediately notify Administrator in the event that Practitioner or Qualified Professional fails to comply with any of the requirements described in this Section or Section 6 of this Agreement and Qualified Professional will immediately cease providing services at Clinic or Practitioner Business. Administrator may, in its sole discretion, thereupon terminate this Agreement upon written notice to Practitioner in the event Administrator determines that cure is not reasonably possible.

1.3 Record Completion. The Practitioner will establish and enforce procedures to ensure that proper and complete patient records are maintained regarding all patients of the Practitioner as required by Section 4.9, applicable law and by the rules and regulations of any applicable governmental agency.

1.4 Compliance. The Practitioner and Qualified Professional are, and shall remain during the term of this Agreement, in compliance with the requirements of this Section, or Section 6 of this Agreement and with the Micro-Franchise Agreement.

2. Furnishings and Equipment, Use of Clinic.

2.1 Title and Maintenance. During the term of this Agreement, the Administrator grants to the Practitioner the exclusive right to use, on an "as is" basis, the Clinic, Equipment and Furnishings specified in Exhibit A, which is attached hereto and incorporated herein. The Practitioner shall use, and shall cause the Qualified Professional to use, the Clinic, Equipment and Furnishings only in connection with the Practitioner Business. Title to the Clinic, Equipment and Furnishings, including any improvements thereto, shall be and remain with the Administrator at all times. The Practitioner agrees to take no action that would adversely affect the Administrator's title to or interest in the Clinic, Equipment and Furnishings. During the term of this Agreement, the Practitioner shall be responsible for use of the Clinic, Equipment and Furnishings in such manner as to maintain their good condition and repair, reasonable wear and tear from normal use excepted. All maintenance, repair and replacement, if necessary, of the Clinic, Equipment and Furnishings shall be performed by the Administrator on behalf of the Practitioner, in accordance with Section 3.1 of this Agreement. The Practitioner acknowledges

and agrees that the costs and expense of a reasonable quantity of supplies used in connection with the Clinic, Equipment and Furnishings are included within the "***Administrative Services Fee***" (as defined in Section 5.1, below) paid by Practitioner to Administrator; provided, however, that any maintenance, repair or replacement of Clinic, Equipment and Furnishings arising from Practitioner's negligence or willful misconduct will be billed separately to Practitioner by Administrator pursuant to Section 4.13 of this Agreement. The Practitioner agrees to make the Clinic, Equipment and Furnishings available for inspection by the Administrator or its designee at any reasonable time. If Practitioner believes replacement or repair is needed, Practitioner shall promptly notify Administrator of the same.

2.2 Liens, Encumbrances, Etc. The Practitioner shall not directly or indirectly create or suffer to exist any mortgage, security interest, attachment, writ or other lien or encumbrance on the Clinic, Equipment and Furnishings, and will promptly and at its own expense, discharge any such lien or encumbrance which shall arise, unless the same shall have been created or approved by the Administrator.

2.3 Use of Clinic. The Administrator shall provide the use of the Clinic in which the Practitioner and Qualified Professional shall conduct and provide health care or healing arts services at the Practitioner Business during the term of this Agreement. This Agreement shall not be construed as a lease or sublease of the Clinic or any portion or part thereof, and shall not be deemed to create a relationship between a landlord and a tenant. The Practitioner shall have no rights as a lessee of or any other possessory or occupancy rights to or any interest in the Clinic except for the right to perform professional health care or healing arts services in the Practitioner Business at Clinic as expressly set forth in this Agreement. The Practitioner shall have access to the Clinic as follows:

(a) Administrator shall provide to Practitioner the space in the Clinic as more fully described in Exhibit A, together with access to common space in the Clinic such as reception areas, lavatories and hallways. Practitioner may use such Clinic during the times set forth on Exhibit A. The amount of the Clinic made available to Practitioner does not exceed the space reasonably necessary for the provision of health care or healing arts services at the Practitioner Business by Practitioner.

(b) Administrator shall provide the following office services and/or use of equipment and facilities to Practitioner as part of Practitioner's use of the Clinic: (i) standard janitorial service; (ii) use of the reception area and other common areas of the Clinic, including lavatories, (iii) reasonable water, fuel, gas, oil, heat, electricity and other utilities and services, (iv) general disposable supplies such as paper towels, bathroom tissue, and hand soap, (v) ventilation and air conditioning, (vi) lighting (at all times), and (vii) reasonable use of the electrical facilities in the Clinic for customary office equipment (at all times).

(c) Practitioner shall be permitted to make available such notices, means of identification and public awareness materials as necessary to identify the Clinic as the Practitioner Business and that the Qualified Professional is the provider of health care or healing arts services as may be required under applicable state or federal law or "***Payors***"' (as defined in Section 3.2(b)(ix)) requirements. Administrator represents and warrants that the Clinic is neat and in a clean and sanitary condition suitable for the lawful conduct of the health care and healing arts

services as required under applicable laws, ordinances, rules, regulations and requirements of all governmental authorities having jurisdiction. Practitioner has reviewed the Clinic, Equipment and Furnishings and determined that their condition is appropriate for the provision of health care and healing arts services in accordance with the requirements of applicable state or federal law. Practitioner shall permit no waste, damage or injury to the Clinic, Equipment or Furnishings; however, Practitioner shall not be responsible for normal wear and tear, or damage by fire or other casualty that does not result, in whole or in part, from Practitioner's negligence or willful misconduct.

(d) Practitioner and Qualified Professional shall keep the Clinic, Equipment and Furnishings in a clean and orderly condition and shall conduct Practitioner Business therefrom in a careful and safe manner. Practitioner and Qualified Professional shall not operate the Practitioner Business, or use the Clinic, Equipment and Furnishings or maintain them, in any manner constituting a violation of any ordinance, statute, regulation or order of any governmental authority, including without limitation, regulations of state health or healing arts licensing boards or regulatory agencies, the U.S. Department of Health and Human Services, zoning ordinances or standards of any applicable accrediting entity. Nor shall Practitioner maintain, permit or suffer any nuisance to occur or exist on the Clinic, Equipment and Furnishings.

2.4 Oversight of Space. As the lessor or owner of the space in which the physical premises constituting the Clinic is located, Administrator shall have control over non-professional aspects of the building and matters such as general building maintenance, establishing guidelines related to Sections 2.3(a) and (b) and operational recommendations and reminders such as locking doors, general cleanliness, turning off lights and other matters and Practitioner and Qualified Professional shall comply therewith.

2.5 Return of Clinic, Equipment and Furnishings. Upon the termination or expiration, as applicable, of this Agreement, the Administrator shall retain all Clinic, Equipment and Furnishings and the Practitioner shall relinquish control thereof free and clear of all liens, encumbrances, and right of others (save those created or approved by the Administrator).

2.6 Assignment. The Practitioner shall not assign any of its rights hereunder to the use of the Clinic, Equipment and Furnishings to any third party, without the prior written consent of the Administrator.

2.7 Reporting. The Practitioner shall advise the Administrator with respect to the selection of additional and replacement equipment or furnishings for the Clinic, and with respect to any proposed additions or improvements to the Clinic, Equipment or Furnishings. The Practitioner will ensure that all Clinic, Equipment and Furnishings are used in a safe and appropriate manner. The Practitioner shall promptly notify the Administrator of any defective Equipment or Furnishings. The Administrator will have the final decision over purchases described in this section.

3. General Responsibilities of the Administrator.

As further described in Sections 3.1—3.5, the Administrator shall have responsibility for general management and administration of the day-to-day non-professional, business operations of the

Practitioner. Nothing in this Agreement shall be construed as permitting Administrator to control or provide health care, healing arts, medical, pharmaceutical, professional and ethical aspects of the Practitioner and/or practice of Qualified Professional at Practitioner Business.

3.1 Maintenance, Repair and Servicing. During the term of this Agreement, Administrator agrees to perform, or subcontract for the performance of, all maintenance, repair, and servicing as may be necessary for the Clinic, Equipment and Furnishings to be maintained in good working condition, reasonable wear and tear excepted.

3.2 Administrative Services.

(a) The Administrator shall provide, or arrange for the provision of, certain business, management and administrative services of a non-clinical nature necessary or appropriate for the proper operation of the Practitioner Business (the "***Administrative Services***"), as described below. The Administrator shall be the exclusive provider to the Practitioner of such Administrative Services. The Practitioner shall not obtain any Administrative Services from any source other than the Administrator, except with the prior written consent of the Administrator. The Administrator is authorized to perform its Administrative Services in whatever manner it deems necessary to meet the day to day requirements of the Practitioner, including, without limitation, performance of some business office functions at locations other than the premises of the Practitioner and by persons other than employees of the Administrator. The Administrator is authorized to contract with third parties, including one or more of its affiliates, for the provision of Administrative Services, equipment and personnel needed to perform its obligations under this Agreement. Any contracts with such affiliates shall be arms' length agreements on terms reasonably available from reasonably efficient competing vendors.

(b) The Administrative Services to be provided by the Administrator for the Practitioner Business shall include the following, as determined by the Administrator to be appropriate for the Practitioner:

(i) general business support;

(ii) providing to the Practitioner the data necessary for the Practitioner to prepare and file its tax returns and make any other necessary governmental filings;

(iii) scheduling and patient billing through approved platform;

(iv) support, as a Business Associate, through provision of a notes platform and record coordination services, to assist Practitioner in maintenance of patient records in accordance with procedures established by the Practitioner pursuant to Section 1.3 above;

(v) materials management, including purchase and stocking of office and clinical supplies and maintenance of equipment and facilities;

(vi) human resources management, including primary direction and control of recruitment, training, and management of all Administrative Staff (defined in Section 3.3 below);

(vii) billing to and commercially reasonable collection efforts from all accounts receivable and providing such periodic reports or financial statements as are commercially reasonable in accordance with the standard formats developed by Administrator for the Clinic (and performing the same on behalf of Practitioner's arrangements with "Payors", as defined in subsection (ix) below, if required by SEF under the Administrator Franchise Agreement with Administrator and Micro-Franchise Agreement with Practitioner);

(viii) administering utilization, cost and quality management systems that are established in accordance with Section 4.3;

(ix) whenever applicable and as determined by SEF under its Administrator Franchise Agreement with Administrator and Micro-Franchise Agreement with Practitioner, evaluating, negotiating and administering, on behalf of the Practitioner, agreements with employers, multi-employer welfare trusts, third party administrators and other third parties, including third party payors, managed care entities, institutional health care providers and vendors (collectively "***Payors***");

(x) arrange for the Practitioner to obtain and maintain malpractice and other agreed upon insurance coverages, only in the event Practitioner does not maintain the same in accordance with the requirements of Section 7.3 and Administrator elects to arrange for the same and bills Practitioner for the costs of the same as a "***Practitioner Expense***" (as defined in Section 4.13 of this Agreement);

(xi) advertising, marketing support and promotional activities;

(xii) conducting checks of the Exclusion Lists (defined in Section 6(d) below) on behalf of Practitioner and the Qualified Professional;

(xiii) performing credentialing support services such as application processing and information verification (if required by SEF under its Administrator Franchise Agreement with Administrator and Micro-Franchise Agreement with Practitioner).

(c) the Administrator shall not provide any of the following services to the Practitioner or Practitioner Business:

(i) assignment of the Qualified Professional to treat patients;

(ii) assumption of responsibility for the care of patients;

(iii) serve as the party to whom bills and charges are made payable;

(iv) any activity that involves the practice of medicine, health care or healing arts services or the provision of services within the definition of Methods or scope of practice of the Qualified Professional that would cause the Practitioner Business or Clinic to be subject to professional or facility licensure under the applicable laws and regulations in _____ **[Note: identify state where Administrator/Practitioner are located]**.

3.3 Administrative Staff. To the extent deemed appropriate by Administrator, Administrator shall:

(a) On the terms and conditions specified in this Agreement, employ or engage and make available to the Practitioner Business, on a non-exclusive basis, sufficient non-clinical personnel and administrative staff (herein referred to collectively as "***Administrative Staff***"). The hiring, firing, disciplining and determination of compensation and benefits of the Administrative Staff shall be within the sole discretion of the Administrator; provided, however, that the Administrator may, at the Practitioner's written request, remove from the Practitioner Business any Administrative Staff member who does not perform to the reasonable satisfaction of Practitioner.

(b) The Administrative Staff, although employed by Administrator, shall be subject to the direction, control and supervision of the Practitioner when they are performing Administrative Services on behalf of the Practitioner. The Practitioner shall provide Administrator with advice, input and requests related to Administrative Staff and their performance of Administrative Services.

3.4 Patient Records. The Administrator shall use its reasonable efforts to preserve the confidentiality of patient records and use information contained in such records only to the extent permitted by applicable law. Administrator will comply with its obligation as a Business Associate of Practitioner, pursuant to the Business Associate Agreement attached hereto as Exhibit B and incorporated herein.

3.5 Performance Standards. All Administrative Services provided hereunder shall be subject to commercially reasonable performance standards agreed to by the parties from time to time.

3.6 Administrator Franchise Agreement. Administrator is obligated to comply with the Administrator Franchise Agreement in its performance of Administrative Services hereunder. Administrator acknowledges and agrees that the Administrator Franchise Agreement requires SEF to approve this Agreement.

4. Responsibilities of the Practitioner.

4.1 Professional Services. The Practitioner, through its Qualified Professional, shall be responsible for and shall have complete authority, supervision and control over the provision and performance of all health care and healing arts services. During the term of this Agreement, the Practitioner shall be solely responsible for all aspects of the diagnostic, therapeutic and related professional health care or healing arts services delivered by the Qualified Professional at the Practitioner Business. In addition, the Practitioner shall be solely responsible for the following: determining whether and what diagnostic tests are appropriate for a particular condition; determining the need for referrals to physicians or non-physician practitioners; consultation with other health care providers as permitted under the Qualified Professional's scope of practice; and each and every aspect of the care of Clinic patients, including the treatment options available.

4.2 Time Commitment. The Practitioner is wholly-owned by, and shall make available to the Practitioner Business, the individual "***Qualified Professional***" as defined in the Micro Franchise Agreement. The Qualified Professional is a person who is legally qualified and licensed under state law to perform chiropractic, physical therapy, massage therapy, acupuncture/ dry needling, personal training or other wellness services in the state or territory in which the Practitioner Business is located and authorized to engage to the extent permitted by law in the services constituting the Methods provided by the Practitioner Business. Practitioner is solely responsible for meeting the needs of the patients of the Practitioner Business through the services of its Qualified Professional. The Practitioner shall provide such services during normal business hours, as established in consultation with and subject to approval of the Administrator. The Practitioner shall ensure that all work and coverage schedule meet the needs of patients of the Practitioner in a competent, timely and responsive manner.

4.3 Quality of Service. The Practitioner shall establish and enforce procedures to assure the appropriateness, necessity, consistency, quality, cost effectiveness and efficacy of all health care and healing arts services provided to patients of the Practitioner Business. The Practitioner shall require its Qualified Professional to participate in and cooperate with any utilization management, quality assurance, risk management, patient care assessment, continuous quality improvement, accreditation or other similar program or study to review the performance of the Qualified Professional as may be required by governmental agencies, professional review organizations, accrediting bodies, Payors or health care entities or other third parties with which the Practitioner may contract or affiliate with. Practitioner and Qualified Professional are responsible for making all decisions concerning medical necessity, reimbursement, coding selection, billing amounts and compliance with Payors' reimbursement requirements.

4.4 Billing and Collection. The Administrator shall bill and undertake commercially reasonable collection efforts for all services rendered by the Practitioner and its Qualified Professional hereunder in the name of and as agent for the Practitioner. All of the payments with respect to such services shall be made by cash or by check, electronic funds transfer, or credit card payable to the Practitioner and shall be transferred directly to the Practitioner via electronic funds transfer or such other means as determined by Administrator.

4.5 Licensure. The Practitioner shall ensure that the Qualified Professional maintains, if applicable, an unrestricted license to practice health care or healing arts services as required for the professional discipline or category of professional services for which the Qualified Professional is licensed or otherwise permitted to be engaged in his or her particular field of expertise in the State of _____ **[Note: insert state where Qualified Professional is licensed and practicing under this Agreement]** and, to the extent that Qualified Professional provides professional services in other states, that such individual maintains comparable unrestricted licensure in such other jurisdictions. The Qualified Professional shall have a level of competence, experience and skill comparable to that prevailing in the community where such Qualified Professional provides professional services. Practitioner shall provide documentation of such licensure described under this Section 4.5 to Administrator upon Administrator's request for the same.

4.6 Continuing Education. The Practitioner shall ensure that the Qualified Professional shall obtain the required continuing professional education for his or her specialty in

each state where the Qualified Professional provides professional services and shall provide documentation of the same to the Administrator.

4.7 Disciplinary Actions. The Practitioner shall, and shall cause the Qualified Professional to, promptly disclose to the Administrator during the term of this Agreement: (i) the existence of any proceeding against the Qualified Professional instituted by any plaintiff, governmental agency, health care facility, peer review organization or professional society which involves any allegation of substandard care or professional misconduct raised against the Qualified Professional, and (ii) any allegation of substandard care or professional misconduct raised against the Qualified Professional by any person or agency during the term of this Agreement. Administrator is permitted to terminate this Agreement under Section 12(e) in the event the Qualified Professional does not comply with applicable provisions of federal or state law.

4.8 Outside Activities. The Practitioner and its Qualified Professional shall devote their best efforts to fulfill their obligations hereunder. The Practitioner and its Qualified Professional shall not engage in any other professional activity, whether or not such business activity is pursued for gain, profit, or other pecuniary advantage, which would interfere with the performance of the Practitioner's duties hereunder, without the prior written consent of the Administrator.

4.9 Patient Records.

(a) The Practitioner and its Qualified Professional shall maintain, in a timely manner, complete, accurate and legible records for all patients of the Practitioner Business, and all such patient records shall be the property of the Practitioner. The Practitioner and its Qualified Professional shall comply with all applicable laws, regulations and ethical principles concerning confidentiality of patient records.

(b) The Practitioner shall grant the Administrator access to the information contained in the Practitioner's patient records to the extent that access to such information is permitted by law and is required in connection with the Administrator's responsibilities hereunder. The Practitioner shall, upon the termination or transfer of this Agreement (as permitted by law), transfer all of the Practitioner's patient records to a successor Practitioner or other health care provider identified by the Administrator who will provide health care or healing arts services at the Clinic. Such successor Practitioner or health care provider shall be obligated to transfer a patient's record as directed upon the patient's request.

(c) As required by the Health Insurance Portability and Accountability Act of 1996 ("***HIPAA***"), the parties shall comply with the Business Associate Agreement attached as Exhibit B of this Agreement.

4.10 Credentialing. The Practitioner and Qualified Professional shall participate and cooperate in and comply with any credentialing program established from time to time by the Administrator.

4.11 Fees for Professional Services. The Practitioner shall be solely responsible for legal, accounting, and other professional service fees it incurs, except as otherwise provided herein.

4.12 Standards of Care. The Practitioner and its Qualified Professional shall render services to patients hereunder in a competent and professional manner, in compliance with generally accepted and prevailing standards of care, and the quality assurance standards of the Payors with which the Practitioner or the Administrator (on behalf of Practitioner) contracts hereunder, and in compliance with applicable statutes, regulations, rules, policies and directives of federal, state and local governmental, regulatory and accrediting agencies.

4.13 Practitioner Expenses Not Included in Administrative Services Fee. Practitioner and Administrator acknowledge that there may be certain additional services that Practitioner requires for the Practitioner Business that Administrator is well positioned to provide, the costs for which are not included in the Administrative Services Fee. In the event that Administrator elects, in its sole discretion to cover any of the following services for Practitioner and Practitioner Business, the Administrator shall bill Practitioner at a reasonable cost (the "***Practitioner Expenses")*** in providing the same. Administrator may pay the costs of such Practitioner Expenses directly, on behalf of Practitioner and at the direction of Practitioner, and then pass through the costs of such Practitioner Expenses directly to Practitioner or Administrator may require Practitioner to prepay the direct costs of the Practitioner Expenses:

(a) Cost of all new health care or healing arts, medical and non-medical equipment and supplies obtained for use in the operation of the Practitioner Business and costs of repair, replacement or maintenance that Administrator incurs due to Practitioner or Qualified Professional's negligence or willful misconduct as described in Section 2.1; or

(b) Expenses of professional liability insurance required under Section 7.3 of this Agreement for Practitioner and the Qualified Professional of the Practitioner to the extent the Practitioner fails to obtain the same and the costs of any insurance required under Sections 7.1 or 7.2 of this Agreement to the extent not otherwise included in the Administrative Services Fee.

The Administrator shall promptly notify the Practitioner of all Practitioner Expenses incurred, and shall provide the Practitioner with all invoices, bills, statements and other documents evidencing such Practitioner Expenses. Practitioner will compensate Administrator for any Practitioner Expenses in accordance with Section 5.2. Nothing in this Agreement shall be construed to require Administrator to incur any Practitioner Expenses on behalf of Practitioner.

4.14 Micro-Franchise Agreement. Practitioner and Qualified Professional are obligated to comply with the Micro-Franchise Agreement in the performance of health care or healing arts services at Practitioner Business; provided, however, that no provision of the Micro-Franchise Agreement permits SEF to control or direct, or permits Administrator to control or direct, Practitioner's or Qualified Professional's exercise of professional judgment in the practice of their licensed or regulated discipline at the Practitioner Business. Practitioner acknowledges and agrees that the Micro-Franchise Agreement requires SEF to approve this Agreement.

5. Financial Terms.

5.1 Administrative Services Fee.

(a) In consideration of the Administrator (i) permitting the Practitioner to use the Clinic, Equipment and Furnishings; (ii) permitting the Practitioner to operate the Practitioner Business and perform professional health care and healing arts services on the real property of Administrator; (iii) granting to the Practitioner the right to use the personal property and leasehold improvement at the Clinic; and (iv) providing the Administrative Services, the Practitioner hereby agrees to pay to the Administrator a monthly administrative services fee that shall be equal to **[Note: insert fixed monthly fee] [_____ Dollars ($_____)]** (the **"*Administrative Services Fee*").** The Administrative Services Fee may be modified from time-to-time in accordance with Section 5.1(d).

(b) The portion of the Administrative Services Fee (i) allocable to the Practitioner's use of the Clinic, Equipment and Furnishings has been determined by Practitioner and Administrator to equal the fair market value of the use of the Clinic, Equipment and Furnishings, respectively, and (ii) allocable to the provision of all other Administrative Services hereunder has been determined by the parties to equal the fair market value of such other services, without taking into account the volume or value of any referrals of business, if any, from the Administrator, SEF or its affiliates to the Practitioner or the Qualified Professional, or from the Practitioner or the Qualified Professional to the Administrator, SEF or its affiliates, that is reimbursed under any "***Federal Health Care Program***" (as defined in Section 6(d)), governmental or private health care payment or insurance program or by any Payors.

(c) The Administrative Services Fee paid by the Practitioner to the Administrator hereunder has been determined by the parties through good-faith and arm's length bargaining and reflects a fair market value payment for the Clinic, Equipment and Furnishings and Administrative Services. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral of, or recommending referral of, patients by the Practitioner to the Administrator, SEF or its affiliates or by the Administrator, SEF or its affiliates to the Practitioner. The Practitioner acknowledges and agrees that neither Administrator nor SEF is a provider of health care services or, if Administrator has a license to practice in a health care discipline, Administrator is not functioning as a provider of health care services or operating within the scope of his or her license under this Agreement; that neither Administrator nor SEF is in the position to make referrals of patients (or, if Administrator does have a license to practice in a health care discipline, Administrator will not refer patients to Practitioner); and that Administrator and SEF do not otherwise recommend or arrange for the provision of health care or healing arts services for Practitioner. The Administrative Services Fee charged hereunder does not include any discount, rebate, kickback, or other reduction in charge, and the Administrative Services Fee charged hereunder is intended to comply with the "***Self-Referral Laws***" and "***Anti-kickback Statute***" (as such terms are defined in Section 6), to the extent such laws are applicable to this Agreement.

(d) The Administrative Services Fee may be modified no more than once by Administrator and Practitioner every twelve (12) month period during the term of this Agreement.

5.2 <u>Practitioner Expenses.</u> Practitioner will compensate Administrator for any Practitioner Expenses within thirty (30) days of receipt of invoice from Administrator for the same.

6. Regulatory Matters.

(a) The Practitioner's Qualified Professional shall at all times be free, in his or her sole discretion, to exercise their professional judgment on behalf of patients of the Practitioner. No provision of this Agreement is intended, nor shall it be construed, to permit the Administrator to affect or influence the professional judgment of the Qualified Professional. To the extent that any act or service required or permitted of the Administrator by any provision of this Agreement may be construed or deemed to constitute the practice of medicine or health care or healing arts, the ownership or control of a medical practice or the operation of a medical practice, said provision of this Agreement shall be void ab initio and the performance of such act or service by the Administrator shall be deemed waived by the Practitioner.

(b) To the extent the federal Ethics in Patient Referrals Act (42 U.S.C. § 1395nn) and any state law equivalent or comparable version of the same (collectively, the "***Self-Referral Laws***") apply to the Practitioner and any Qualified Professional with which Practitioner has a direct or indirect financial relationship, Practitioner and Qualified Professional shall comply with the Self-Referral Laws.

(c) Practitioner shall comply with all laws and regulations that govern the relationship between health care providers and patients, and between health care providers that may refer patients to one another for services reimbursable in whole or part under federal or state health care programs. This includes without limitation the 42 U.S.C. § 1320a-7b(b) (the "***Anti-kickback Statute***") and 42 U.S.C. § 1320a-7a (the "***Civil Monetary Penalties Law***"), including the Civil Monetary Penalties Law's prohibition against providing inducements to beneficiaries of the Medicare and Medicaid programs, along with any state law equivalents of the same. Any arrangement between Practitioner and Qualified Professional shall comply with the Anti-kickback Statute and any state law equivalents of the same.

(d) Neither Practitioner, nor Qualified Professional, are, have been or will be excluded from participation in any "***Federal Health Care Program***" (as defined in 42 U.S.C. § 1320a-7b(f)), including Medicare or Medicaid. Practitioner shall review, on a monthly basis during the term of this Agreement or at such other frequency as needed for Practitioner to meet its obligations under this Agreement, the status of the individuals/entities Practitioner employs or with which it contracts, to ensure that they have not been excluded by, or sanctioned under, the Department of Health and Human Services Office of the Inspector General as set forth on the List of Excluded Individuals and Entities or excluded or debarred by the General Services Administration System for Award Management (the "***Exclusion Lists***"). If any such individual or entity is identified on one of the Exclusion Lists, Practitioner shall notify Administrator within no less than one (1) business day and shall immediately remove the individual or entity from any work directly or indirectly related to Practitioner Business or at Clinic.

(e) Practitioner has reviewed applicable state law requirements that pertain to the categories of licensure maintained by Qualified Professional and has determined that its licensure status permits it to provide services under arrangement with Practitioner at Practitioner Business and to be compensated for the same in such manner as set forth in any financial relationship between Practitioner and Qualified Professional. Practitioner has reviewed applicable

state law requirements pertaining to whether any category of facility licensure is required for Practitioner Business and has concluded that no such facility licensure is required.

(f) Practitioner warrants and represents that neither Practitioner nor Qualified Professional is currently enrolled in or functioning as a participating provider or supplier in the Medicare or Medicaid program, or otherwise required to bill any Federal Health Care Program, and that neither Practitioner nor Qualified Professional will enroll in or function as a participating provider or supplier in the Medicare or Medicaid programs, or become required to bill any Federal Health Care Program, during the term of this Agreement without agreement from SEF as described in the Micro-Franchise Agreement.

(g) The Practitioner and Qualified Professional and Administrator agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to comply with the requirements of law and with all ordinances, statutes, regulations, directives, orders, or other lawful enactments or pronouncements of any federal, state, municipal, local or other lawful authority applicable to the Clinic and/or Practitioner Business, and of any insurance company insuring the Clinic, Practitioner Business or the parties against liability for accident or injury in or upon the premises of the Clinic or at the Practitioner Business.

7. Insurance.

7.1 General Comprehensive Liability Insurance. During the term of this Agreement, the Administrator shall obtain and maintain a comprehensive general liability insurance policy and such other insurances as may be required, in such amounts, with such coverages and with such companies as the Administrator may reasonably determine to be necessary and appropriate, as required by law or as are usual and customary. These insurance policies must name SEF and any of its affiliates that SEF designates as additional named insureds, and provide for thirty (30) days' prior written notice to the Administrator and SEF and of a policy's material modification, cancellation or expiration. Costs of such general comprehensive liability insurance shall either be included in the Administrative Services Fee or billed to Practitioner as a Practitioner Expense under Section 4.13(b).

7.2 Equipment Insurance. During the term of this Agreement, the Administrator shall obtain and maintain insurance against all risks of physical loss or damage to the Equipment in an amount not less than the original purchase price or the replacement cost with like kind and quality at the time of loss, with such companies and as the Administrator shall reasonably determine. These insurance policies must name SEF and any of its affiliates that SEF designates as additional named insureds, and provide for thirty (30) days' prior written notice to the Administrator and SEF and of a policy's material modification, cancellation or expiration. Costs of such general comprehensive liability insurance shall either be included in the Administrative Services Fee or billed to Practitioner as a Practitioner Expense under Section 4.13(b).

7.3 Professional Liability Insurance. During the term of this Agreement, the Practitioner shall obtain and maintain, at the Practitioner's expense, professional liability insurance covering the Practitioner and the Qualified Professional that meets the requirements of this Agreement and any requirements of SEF under the Micro-Franchise Agreement. The insurance

policies must name SEF, the Administrator, and any of their respective affiliates that the Administrator or SEF designates as additional named insureds. Professional liability insurance for Practitioner inclusive of the scheduled insured Qualified Professional shall be at such minimum coverage levels as may be required under state law or, if state law does not require minimum coverage levels, at the amount of at least one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) annual aggregate on behalf of the Qualified Professional. Such insurance will be either occurrence or claims made with an extended period (tail) reporting option. Notwithstanding the foregoing, in the event that Administrator determines applicable provisions of state law require additional or higher levels of coverage or amounts, the parties agree that the Practitioner and Qualified Professional are required to have coverage in place that meets state law requirements. Practitioner shall authorize its insurance carrier to issue to Administrator a certificate of insurance upon the request of Administrator. Practitioner shall provide notice to Administrator, as soon as possible (but in no event later than ten (10) days) of any cancellation, termination or material alteration of any such insurance policies. Prior to the expiration or cancellation of any such policies, Practitioner shall secure replacement of such insurance coverage and shall furnish Administrator with a certificate as described above. Failure of Practitioner to secure replacement coverage in the event of such cancellation, termination or material alteration of any such insurance policies shall be a default hereunder and Administrator shall have the option to terminate this Agreement immediately upon notice to Practitioner. Practitioner shall notify Administrator as soon as possible but in no event later than within ten (10) days of any actual or threatened claim, action, suit or proceeding related to activities undertaken pursuant to this Agreement.In the event Practitioner does not obtain or maintain the insurance described under this section, Administrator is permitted to obtain it on behalf of Practitioner. The Practitioner shall provide to the Administrator any information with respect to the Practitioner or the Qualified Professional necessary for the Administrator to secure such professional liability insurance. The costs of such professional liability insurance required under this Section shall be billed to Practitioner as a Practitioner Expense under Section 4.13(b). The provisions of this Section shall survive termination of this Agreement.

8. Indemnification by the Practitioner. The Practitioner hereby agrees to indemnify, defend, and hold harmless the Administrator and SEF, and each of the Administrator's and SEF's officers, directors, shareholders, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part, out of any breach by the Practitioner of this Agreement or any acts or omissions by the Practitioner or the Qualified Professional in their performance of this Agreement, including, but not limited to, negligence of the Practitioner or the Qualified Professional arising from or related to any of their professional acts or omissions to the extent that such is not paid or covered by the proceeds of insurance. The Practitioner shall immediately notify the Administrator and SEF of any lawsuits or actions, or any threat thereof, against Practitioner, Qualified Professional, the Administrator or SEF that may become known to the Practitioner.

9. Indemnification by the Administrator. The Administrator hereby agrees to indemnify, defend, and hold harmless the Practitioner and SEF, and each of the Practitioner's and SEF's officers, directors, shareholders, agents and employees, from and against any and all claims, demands, losses, liabilities, actions, lawsuits and other proceedings, judgments and awards, and

costs and expenses (including court costs, and reasonable attorneys' and consultancy fees), arising directly or indirectly, in whole or in part, out of any breach by the Administrator of this Agreement or any willful or grossly negligent act or omission by the Administrator in its performance of this Agreement, to the extent that such is not paid or covered by the proceeds of insurance. The Administrator shall immediately notify the Practitioner and SEF of any lawsuits or actions, or any threat thereof, against SEF, the Administrator, Practitioner or Qualified Professional that may become known to the Administrator.

10. Non-Solicitation. Practitioner covenants that Practitioner shall not, during the term of this Agreement, including any renewal terms, and for a period of two (2) years immediately following the expiration or termination of this Agreement or any renewal term of this Agreement (regardless of cause), directly or indirectly, for itself or through, on behalf of or in conjunction with any person or business entity: solicit, encourage, or induce (or attempt to solicit, encourage, or induce) any client or customer with whom Administrator or SEF has a business relationship to cease doing business with (or alter or reduce its business relationship with) Administrator or SEF.

11. Enforcement. The Practitioner, on its own behalf agrees that the restrictive covenants set forth in Section 10 of this Agreement are reasonable in nature, duration and geographical scope. The Practitioner further acknowledges that any violation of those restrictive covenants will cause the Administrator irreparable damage, which a monetary award would be inadequate to remedy, and that a court or arbitrator of competent jurisdiction may, in addition to monetary awards, enjoin any breach of, and enforce, such restrictive covenants by temporary restraining order, and preliminary and permanent injunctive relief without the need for the moving party to post any bond or surety. If a court or arbitrator of competent jurisdiction determines that any of the restrictive covenants set forth in Section 10 is unreasonable in nature, duration or geographic scope, then the Practitioner agrees that such court or arbitrator shall reform such restrictive covenant so that such restrictive covenant is enforceable to the maximum extent permitted by law for a restrictive covenant of that nature, and such court shall enforce the restrictive covenant to that extent. If any court or arbitrator finds that the Practitioner has breached the restrictive covenants set forth in Section 10, then such restrictive covenants shall be extended for an additional period equal to the period of such breach.

12. Term and Termination.

(a) The term of this Agreement shall be effective as of the Effective Date and coterminous with the term of Practitioner's Micro-Franchise Agreement with SEF.

(b) This Agreement will terminate automatically in the event the Micro-Franchise Agreement terminates.

(c) This Agreement will terminate automatically in the event the Administrator Franchise Agreement terminates.

(d) Any default by Practitioner under its Micro-Franchise Agreement with SEF shall constitute a default by Practitioner of this Agreement, upon which Administrator may elect to terminate this Agreement immediately upon provision of notice to Practitioner.

(e) Administrator may terminate this Agreement immediately upon provision of notice to Practitioner in the event Practitioner fails to comply with Sections 1.2, 4.7 or 7.3 of this Agreement and Administrator determines that cure is not reasonably possible.

(f) In the event of a material breach of this Agreement (other than a breach as described in Section 12(e), for which termination is permitted by Administrator as described in Section 12(e), or any of its Exhibits attached hereto, by Practitioner (the "Breaching Party"), the Administrator (the "Non-Breaching Party") may, at any time commencing thirty (30) days after written notice of the breach has been given to the Breaching Party, terminate this Agreement by delivery to the Breaching Party of a further written notice of termination (the "Notice of Termination"). Notwithstanding the foregoing, if the Breaching Party, after receiving such Notice of Termination, has begun and is diligently continuing good faith efforts to cure the breach and the Non-Breaching Party has concurred in writing that the Breaching Party is making such efforts and cure is reasonably possible, this Agreement shall remain in full force and effect for a maximum of sixty (60) days from the date the Non-Breaching Party provided the Notice of Termination during which the Breaching Party shall cure the breach. The Notice of Termination shall specify with particularity the precise breach or breaches of the Agreement.

(g) If there is a conflict between SEF's standards and specifications (including the provisions of this Agreement) and applicable federal or state health care law or regulation (a "Fundamental Regulatory Change"), Practitioner will: (i) comply with the requirements of applicable law, (ii) immediately provide Administrator and SEF with written notice of said conflict, and (iii) promptly and fully cooperate with SEF's counsel in determining the most effective way, if possible, to comply with the standard and specification, or revise the terms of this Agreement or the requirements outlined in the "***Manual***" (as defined in the Administrator Franchise Agreement and Micro-Franchise Agreement) to ensure compliance with applicable law. If Practitioner disagrees with SEF's determination that a Fundamental Regulatory Change has occurred, the issue of whether a Fundamental Regulatory Change exists shall be determined by (a) SEF's counsel with the concurrence of Practitioner's counsel, (b) Practitioner's counsel with the concurrence of SEF's counsel, or (c) if SEF and Practitioner counsel cannot concur, by a nationally recognized law firm with expertise in health care law that SEF selects. If Administrator and Practitioner cannot mutually agree (with the approval of SEF) to amend this Agreement in writing or take other appropriate steps to address the Fundamental Regulatory Change within ninety (90) days after such notice of the existence of a Fundamental Regulatory Change is given, then either party may elect to terminate this Agreement immediately upon written notice to the other party without further liability (except for any post-termination obligations under this Agreement), provided however, that if the implementation of any such Fundamental Regulatory Change is stayed on account of any administrative appeal or any suit filed in a court of competent jurisdiction, the right to amend or terminate as set forth above will also be stayed during the period of such stay. In addition, Administrator may unilaterally alter the terms of this Agreement in response to such Fundamental Regulatory Change as Administrator determines in its sole discretion to exist for up to ninety (90) days during the time in which Administrator is negotiating with Practitioner about the matter.

13. <u>Obligations After Termination</u>. Except as otherwise provided herein or in any amendment hereto, following the effective date of termination of this Agreement:

(a) The Administrator shall continue to permit the Practitioner or its authorized representatives to have access to information prepared by Administrator under Section 3.2(b)(vii) relating to the health care or healing arts services rendered during the term of this Agreement;

(b) The Practitioner shall cooperate with the Administrator to assure the appropriate transfer of patient cases and patient records, in event any patients of Practitioner, Practitioner Business or Qualified Professional elects to receive services elsewhere and direct such transfer to occur;

(c) Both the Administrator and the Practitioner shall cooperate in connection with the termination or assignment of provider contracts and other contractual arrangements, including any arrangements with Payors;

(d) Both the Administrator and the Practitioner shall cooperate in the preparation of final financial statements and the final reconciliation to fees paid hereunder, which shall be calculated by the Administrator six (6) months after termination of this Agreement;

(e) Upon termination or expiration of this Agreement by either party, the Practitioner shall pay the Administrator any amounts owed to the Administrator under Section 5 hereof as of the date of termination or expiration; and

(f) Upon termination or expiration of this Agreement, the Practitioner shall return to the Administrator any and all property of the Administrator which may be in the Practitioner's possession or under the Practitioner's control. Practitioner shall promptly remove any records or personal property of Practitioner and vacate the Clinic.

14. Return of Proprietary Property and Confidential Information. At all times, Practitioner, Qualified Professional and Administrator shall keep the terms and conditions of this Agreement confidential, meaning that neither shall disclose to any other party, except as required by law or permitted under (for Administrator) the Administrator Franchise Agreement or (for Practitioner) the Micro-Franchise Agreement, the terms or conditions of this Agreement. This Section shall survive the expiration or termination of the Agreement. To the extent not otherwise addressed in Practitioner's Micro-Franchise Agreement, any and all documents, procedural manuals, guides, specifications, plans, drawings, designs, copyrights, service marks and trademark rights, computer programs, program descriptions and similar materials, lists of present, past or prospective patients, proposals, marketing and public relations materials, invitations to submit proposals, fee schedules and data relating to patients and the pricing of the Administrator's products and services, records, notebooks and similar repositories of or containing Confidential Information and inventions (including all copies thereof) that come into Practitioner and/or the Qualified Professional's possession or control, whether prepared by Practitioner, the Qualified Professional, or others: (a) are the property of the Administrator, (b) will not be used by Practitioner or the Qualified Professional in any way adverse to the Administrator or to the benefit of Practitioner and/or the Qualified Professional, (c) will not be removed from the Administrator's premises (except as Practitioner and/or the Qualified Professional's duties hereunder require) and (d) at the termination of this Agreement or engagement of such Practitioner, will be left with, or

forthwith returned and/or restored to the Administrator, and Practitioner and the Qualified Professional shall discontinue use of such materials.

15. **Status of Parties**. In the performance of the work, duties and obligations under this Agreement, it is mutually understood and agreed that each party is at all times acting and performing as an independent contractor with respect to the other and that no relationship of partnership, joint venture or employment is created by this Agreement.

16. **Notices**. Any notices to be given hereunder by either party to the other shall be deemed to be received by the intended recipient (a) when delivered personally, (b) the first business day following delivery to a nationally recognized overnight courier service with proof of delivery, or (c) three (3) days after mailing by certified mail, postage prepaid with return receipt requested, in each case addressed to the parties at the addresses set forth on page 1 above or at any other address designated by the parties in writing.

17. **Entire Agreement**. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter of this Agreement. This Agreement may not be changed orally, and may only be amended by an agreement in writing signed by both parties and approved by SEF.

18. **Third Party Beneficiaries**. SEF is an express third party beneficiary of this Agreement with an independent right to enforce the terms of this Agreement. Other than SEF, this Agreement is not intended to, nor shall it be construed to, create any rights in any third parties.

19. **Governing Law**. This Agreement shall be construed and enforced under and in accordance with the laws of the State of _____, and venue for the commencement of any action or proceeding brought in connection with this Agreement shall be exclusively in the federal or state court in the State of _____, County of _____. [Note: Insert State where Administrator and Practitioner are located.]

20. **Severability**. If any provision of this Agreement shall be held by a court of competent jurisdiction to be contrary to law, that provision will be enforced to the maximum extent permissible, and the remaining provisions of this Agreement will remain in full force and effect, unless to do so would result in either party not receiving the benefit of its bargain.

21. **Waiver**. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to that term or any other term of this Agreement.

22. **Rights Unaffected**. No amendment, supplement or termination of this Agreement shall affect or impair any rights or obligations which shall have theretofore matured hereunder.

23. **Interpretation of Syntax**. All references made and pronouns used herein shall be construed in the singular or plural, and in such gender, as the sense and circumstances require.

24. **Successors**. This Agreement shall be binding upon and shall inure to the benefit of the parties, their respective heirs, executors, administrators and permitted assigns.

25. **Further Actions**. Each of the parties agrees that it shall hereafter execute and deliver such further instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and as are not inconsistent with the terms hereof.

26. **Non Assignment**. The Practitioner may not assign this Agreement except with the prior written approval of the Administrator and SEF. The Administrator may assign this Agreement with the prior written approval of SEF.

27. **Construction; Captions; Definitions**. All captions in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof. The words "include" and "including" shall be construed to include the words "without limitation." The word "person" shall mean any individual or business entity. The word "business entity" shall mean any limited liability company or partnership, and any association, corporation or other entity, which is not an individuals.

28. **Waiver of Jury Trial**. ADMINISTRATOR AND THERAPIST AND QUALIFIED PROFESSIONAL IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

29. **Disclaimer of Warranties**. THE ADMINISTRATOR HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. ADMINISTRATOR SPECIFICALLY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, AND THOSE ARISING FROM A COURSE OF DEALING OR USAGE OF TRADE.

[Remainder of Page Blank; Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have duly executed, sealed and delivered this Agreement in duplicate on the day and year first above written.

Administrator

By: _____

Name: _____

Title: _____

Practitioner

By: _____

Name: _____

Title: _____

Qualified Professional

Name: _____

Title: _____

APPROVED BY:

Structural Elements Franchising, LLC.
SEF

By: _____

Name: _____

Title: _____

EXHIBIT A
CLINIC, EQUIPMENT AND FURNISHINGS

I. Description of Clinic.

[Note: insert general description of space (address, square footage) and days/times available to Practitioner]

II. Description of Equipment and Furnishings.

[Note: insert general description of equipment, furnishings and supplies available to Practitioner]

EXHIBIT B
Business Associate Agreement

This **BUSINESS ASSOCIATE AGREEMENT** (this "***Agreement***") is made and entered into as of the Effective Date of the Administrative Services and Lease Agreement (the "***Effective Date***"), by and between _____, a _____ ("***Business Associate***" or ***"Administrator***") and the professional corporation identified below ("***Covered Entity***").

RECITALS

WHEREAS, Administrator has entered into an Administrative Services and Lease Agreement with Covered Entity in which it will provide certain services for and on behalf of Covered Entity which may involve the use and/or disclosure of ***"Protected Health Information"*** or "***PHI***" (collectively, the "***Services***"). Administrator acknowledges and agrees that in so doing it is a "***Business Associate"*** (as defined under 45 C.F.R. § 160.103) to such Covered Entities. Covered Entity has also entered into a Franchise Agreement (the ***"Franchise Agreement"***) with Structural Elements Franchising, LLC (***"SEF"***) that outlines certain obligations Covered Entity has to SEF;

WHEREAS, Business Associate and Covered Entity mutually desire to outline their individual responsibilities with respect to the use and/or disclosure of PHI as mandated by the Privacy Standards (45 C.F.R. Parts 160 and 164) and electronic PHI as mandated by the Security Standards (45 C.F.R. Parts 160, 162 and 164), as well as requirements under 45 C.F.R. Part 164, Subpart D, all as promulgated under the Administrative Simplifications subtitle of the Health Insurance Portability and Accountability Act of 1996 ("***HIPAA***");

WHEREAS, the Health Information Technology for Economic and Clinical Health Act (the "***HITECH Act***"), as incorporated in the American Recovery and Reinvestment Act of 2009 ("***ARRA***"), amended HIPAA and the Privacy and Security Standards to, among other things, require certain duties of business associates to be expressed in a business associate agreement and to institute new notice requirements in the event of certain breaches related to PHI;

WHEREAS, Business Associate and Covered Entity understand and agree that HIPAA and the HITECH Act require that Covered Entity and Business Associate enter into a Business Associate Agreement which shall govern the use and/or disclosure of PHI; and

WHEREAS, the parties hereto mutually agree that this Agreement is intended to satisfy this requirement of HIPAA and the HITECH Act.

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

I. DEFINITIONS

All capitalized terms used herein that are not otherwise defined shall have the same meaning as those terms are defined in HIPAA and the HITECH Act, as amended from time to time.

II. OBLIGATIONS OF BUSINESS ASSOCIATE

A. Privacy Regulations

1. ***General.*** The Services provided by Business Associate under the Administrative Services and Lease Agreement require that Business Associate may be given access to PHI. Business Associate acknowledges and agrees that all PHI that is created or received by Covered Entity and disclosed or made available in any form by Covered Entity to Business Associate, or is created, received, maintained or transmitted by Business Associate on Covered Entity's behalf, will be subject to this Agreement. Business Associate will comply with the following provisions with respect to an Individual's PHI:

    a. **Safeguards against Misuse of PHI.** Business Associate will use reasonable and appropriate safeguards to prevent use and/or disclosure of PHI other than as provided for in this Agreement.

    b. **Use and Disclosure of PHI.** Business Associate will not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

    c. **Reporting of Violations.** Business Associate agrees to report to Covered Entity any use or disclosure of PHI in violation of this Agreement of which it becomes aware.

    d. **Disclosures to Third Parties.** Business Associate will ensure that any Subcontractors, to whom Business Associate provides PHI received from, or created or received by Business Associate on behalf of Covered Entity, agree to the same restrictions and conditions that apply to Business Associate hereunder.

    e. **Access to PHI.** Business Associate will make available PHI in a designated record set to Covered Entity or Individual or the Individual's Designee, as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524.

    f. **Amendment of PHI.** Business Associate will 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. **Accounting of Disclosures.** To the extent that Business Associate makes a disclosure of PHI for which an accounting of disclosures is required under 45 C.F.R. § 164.528, Business Associate will document such disclosures of PHI and information related to such disclosures as would be

required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

h. **Availability of Books and Records.** Business Associate will make available its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Secretary of the Department of Health and Human Services, in a time and manner designated by Covered Entity or the Secretary, for purposes of determining the Covered Entity's or Business Associate's compliance with HIPAA, subject to attorney-client and other applicable legal privileges.

i. **Minimum Necessary.** In conducting functions and/or activities under this Agreement that involve the use and/or disclosure of PHI, Business Associate will make reasonable efforts to limit the use and/or disclosure of PHI to the minimum necessary in accordance with 45 C.F.R. § 164.514(d), as well as the HITECH Act, to accomplish the intended purpose of such use or disclosure.

j. **Mitigation.** Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this BAA.

2. ***Permitted Uses and Disclosures of PHI.*** Except as otherwise limited in this Agreement, Business Associate may:

a. Use or disclose PHI to perform the Services or carry out the Administrative Services and Lease Agreement. Notwithstanding the foregoing, Business Associate will not, and will ensure that its representatives, subcontractors, agents and employees do not, disclose PHI if such use or disclosure would violate the Privacy Standards if done by Covered Entity or the minimum necessary policies and procedures of Covered Entity.

b. Use PHI for its proper management and administration, or to carry out its legal responsibilities.

c. Disclose PHI to third parties: (i) for its proper management and administration; or (ii) to carry out its legal responsibilities, provided that: (A) the disclosures are Required by Law; or (B) Business Associate obtains reasonable assurances from the person or entity to whom the information is disclosed that such information will remain confidential and will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and that such person or

entity will promptly notify Business Associate of any instances of which it becomes aware in which the confidentiality of the information has been breached.

d. Business Associate may use or disclose PHI as Required by Law.

e. Business Associate may use PHI to provide data aggregation services related to the health care operations of the Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

f. Business Associate may use PHI to create information that is de-identified. Any such de-identification by Business Associate will be done in compliance with 45 C.F.R. § 164.514(b).

g. Business Associate may use and disclose PHI for such purposes as are agreed upon by Individuals pursuant to an Authorization that meets the requirements of 45 C.F.R. § 164.508 and which Covered Entity, or Business Associate acting at Covered Entity's direction, secures from the Individual(s) as Business Associate or SEF may require under the Franchise Agreement or Manual. If required by Business Associate or SEF under the Franchise Agreement or Manual, Covered Entity will use such Authorization form as directed by Business Associate. If Business Associate requires, Covered Entity will track any Individuals that it does not obtain the aforementioned authorization from and provide a list of such Individuals to Business Associate in the format and frequency as designated by Business Associate or Business Associate may perform such tracking on behalf of Covered Entity.

B. Security Standards. Business Associate agrees that it will comply, and cause all of its employees and subcontractors to comply, with the applicable requirements of the Security Standards, including, but not limited to the following:

1. ***Security Safeguards.*** Business Associate will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of Covered Entity as required by the Security Standards.

2. ***Disclosure to Third Parties.*** Business Associate will ensure that any representative or agent, including a subcontractor, to whom it provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information.

3. ***Reporting of Violations.*** Business Associate will report to Covered Entity any successful Security Incident or any Breach of which it becomes aware, such report to be made within five (5) days of the date on which Business Associate first

discovers the event. Business Associate shall cooperate in providing any breach notifications resulting from such Security Incident or Breach as may be required under HIPAA, the HITECH Act and/or applicable law. Notwithstanding the foregoing, the Parties acknowledge and agree that Business Associate need not report all attempted but unsuccessful Security Incidents to Covered Entity, and that this Agreement constitutes notice to Covered Entity that such unsuccessful Security Incidents occur periodically. Unsuccessful Security Incidents include, but are not limited to, pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as such incidents do not result in actual unauthorized access, use, or disclosure of PHI. For purposes of this paragraph, "Breach" shall have the meaning given to it at 45 C.F.R. § 164.402; provided, however, that Business Associate shall have sole discretion to determine whether a "Breach" has occurred. The Parties shall cooperate in providing any breach notifications resulting from such Security Incident or Breach as may be required under HIPAA, the HITECH Act and/or applicable law and Business Associate shall have control and discretion over reporting any Breaches of Business Associate under this Section as further described in Section B.5, below.

4. Covered Entity will report to Business Associate any Breach of Unsecured PHI by Covered Entity. All notifications of Breach of Unsecured PHI will be made by Covered Entity to Business Associate without unreasonable delay and in no event later than five (5) days of discovery. Covered Entity will use the standard at 45 C.F.R. § 164.410(a) to determine when the Breach is treated as discovered. All notifications will comply with Covered Entity's obligations under, and include the information specified in, 45 C.F.R. § 164.410 and include any other available information that Covered Entity is required to include in its notification to individuals pursuant to 45 C.F.R. § 164.404(c). Notwithstanding the foregoing, Business Associate, and not Covered Entity, will be responsible for providing notification to individuals, media and the Secretary of HHS for any breaches caused by Covered Entity. Covered Entity will indemnify Business Associate for any expenses Business Associate incurs in notifying individuals, the media and related expenses arising from a Breach, or costs of mitigation related thereto, caused by Covered Entity or its officers, directors, employees, subcontractors or agents.

5. Business Associate shall provide Covered Entity with its proposed notification and remediation plan, concurrently with providing notice of any Breach of Unsecured PHI by Business Associate under section B.3, and shall provide same within 24 hours of receiving notice of any Breach of Unsecured PHI by Covered Entity under section B.4. Covered Entity shall have 48 hours to provide feedback on the draft notifications and remediation plan. If Covered Entity does not provide feedback or respond to the draft notifications and remediation plan within 48 hours, the draft notifications and remediation plan will be deemed approved. However, if Covered Entity does object to the draft notifications or remediation plan, the parties shall

consult and work in good faith to agree upon the form and content for the notifications and the remediation plan. In the event that the parties are unable to agree upon a resolution within 24 hours of Covered Entity providing its objections, Business Associate, in its sole discretion, shall determine the form and content of the notifications for Breaches under B.3 or B. 4, above, as well as any remediation plan. Covered Entity will reimburse Business Associate for all cost and expenses incurred by or associated with Business Associate's efforts or work in preparing, distribution or maintaining any notifications, as well as all costs and expenses incurred as a result of remediation arising from related to a Breach of Unsecured PHI by Covered Entity.

III. TERM AND TERMINATION

A. Term. The term of this Agreement shall be effective as of the Effective Date, and shall terminate when Business Associate no longer performs the Services for Covered Entity, however, notwithstanding the termination of this Agreement, Business Associate will be required to comply with **Section III.B**. below.

B. Effect of Termination. Except as set forth in this **Section III.B**., upon termination of this Agreement for any reason, at the request of Covered Entity, Business Associate will return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. However, to the extent applicable laws require or recommend that Business Associate maintain records containing such PHI, Covered Entity agrees to permit Business Associate to copy (if necessary) and maintain such records at Business Associate's sole cost and expense. In the event that Business Associate determines in its sole discretion that returning or destroying the PHI is infeasible, Business Associate will extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make return or destruction infeasible, for so long as Business Associate maintains such PHI.

IV. OBLIGATIONS OF COVERED ENTITY

A. Commitments. Covered Entity agrees to comply with applicable federal and state confidentiality and security laws, specifically the provisions of HIPAA applicable to covered entities, and the following obligations:

i. To not request Business Associate use or disclose PHI in any manner that would not be permissible under the Regulations if done by Covered Entity.

ii. To use a Notice of Privacy Practices substantially in the form required under the Franchise Agreement or Manual.

iii. To obtain Authorization, pursuant to 45 C.F.R. § 164.508, that permits Business Associate or SEF to use and disclose PHI for such purposes as are required under the Franchise Agreement or Manual. Covered Entity is further responsible for

tracking those patients who agree to sign the Authorization (the "Authorizing Patients") from those patients who do not agree to sign the Authorization (the "Non-Authorizing Patients") if directed to do so by Business Associate. Covered Entity further agrees to inform Business Associate of any withdrawal of Authorization provided to Covered Entity by Individuals to use or disclose PHI pursuant to 45 C.F.R. §164.508 or any changes in or revocation of permission by an Individual to use or disclose PHI to the extent such changes may affect Business Associate's permitted or required uses and disclosures. If Business Associate agrees, Business Associate may perform such tracking of Authorizing Patients and Non-Authorizing Patients as part of the Services on behalf of Covered Entity.

iv. To notify Business Associate, in writing and in a timely manner, of any arrangements permitted or required of Covered Entity under 45 C.F.R. part 160 and 164 that may impact in any manner the use and/or disclosure of PHI by Business Associate under this BAA, including, but not limited to, restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by Covered Entity.

v. That Business Associate may make any use and/or disclosure of PHI permitted under 45 C.F.R. § 164.512 and this BAA.

vi. That Covered Entity shall maintain data protection insurance coverage in a commercially reasonable amount which is no less than $1.0 million per occurrence and $3.0 million in the aggregate, as necessary to provide coverage for any claims, demands, awards, judgments, actions and proceedings arising out of franchisee's conduct as a HIPAA-regulated Covered Entity, or such other amounts as may be required by Business Associate under the Franchise Agreement or Manual.

V. MISCELLANEOUS

A. Counterparts; Attachments. This Agreement may be executed in counterparts, by manual or facsimile signature, all of which will be deemed an original and all of which will constitute one and the same agreement.

B. Entire Agreement. This Agreement along with the Franchise Agreement constitute the entire agreement between the parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of this Agreement. Unless otherwise expressly provided herein, this Agreement may not be modified unless in writing signed by the duly authorized representatives of the parties. If any provision or part thereof is found to be invalid, the remaining provisions shall remain in full force and effect.

C. Third Party Beneficiaries. SEF is an express third party beneficiary of this Agreement.

D. Successors and Assigns. This Agreement will inure to the benefit of and be binding upon

the successors and assigns of the parties. However, this Agreement is not assignable by Covered Entity without prior written consent of Business Associate.

E. No Waiver. Nothing contained herein shall be deemed to require the waiver of any applicable attorney-client privilege or attorney work product protection otherwise available.

F. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with HIPAA.

G. Indemnification. Covered Entity will defend, hold harmless and indemnify Business Associate against any and all claims, liabilities, damages, judgments, costs and expenses (including reasonable attorney's fees and costs) asserted against, imposed upon or incurred by Business Associate that arises out of, or in connection with, Covered Entity's default under or failure to perform any contractual or other obligation, commitment or undertaking under this Agreement, or the negligence of Covered Entity or its subcontractors, employees, agents, or representatives in the discharge of its or their responsibilities, or any other act or omission of Covered Entity or its subcontractors, employees, agents or representatives. This provision will survive termination of the Agreement with respect to any claim, action, or proceeding by a third party that relates to acts or omissions occurring during the term of this Agreement.

H. Representations and Warranty. Covered Entity warrants and represents that it is in compliance with HIPAA.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Business Associate Agreement as of the Effective Date.

COVERED ENTITY	**BUSINESS ASSOCIATE**
_____	_____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT V
SUBCONTRACTOR BUSINESS ASSOCIATE AGREEMENT

This **SUBCONTRACTOR BUSINESS ASSOCIATE AGREEMENT** (this "***Agreement***" or "***SBAA"***) is made and entered into as of the latest date set forth on the signature page (the "***Effective Date***"), by and between Structural Elements Franchising, LLC, a Maryland limited liability company ("***Subcontractor Business Associate or "SBA"***") and the Franchisee identified below (***"Franchisee"***).

RECITALS

WHEREAS, Franchisee has been engaged to provide services to certain parties that are ***"Covered Entities"*** that will involve Franchisee using or disclosing, or creating, receiving, maintaining or transmitting ***"Protected Health Information"*** or ***"PHI***" on behalf of such Covered Entities. Franchisee acknowledges and agrees that in so doing it is a "***Business Associate"*** to such Covered Entities. HIPAA (as defined below) obligates Franchisee, as a Business Associate of these Covered Entities, to ensure that its agents, including its Subcontractors, that create, receive, maintain or transmit PHI on behalf of Franchisee as a Business Associate to agree to the same restrictions and conditions that apply to Franchisee with respect to such PHI;

WHEREAS, SBA has entered into a Unit Franchise Agreement with Franchisee in which it will provide certain services for and on behalf of Franchisee (the ***"Franchise Agreement"***) which may involve the use and/or disclosure of PHI (collectively, the "***Services***"). As a result, SBA may create, receive, maintain or transmit PHI on behalf of Franchisee in performing Services. As a result, SBA qualifies as a ***"Subcontractor"*** and as a Business Associate under HIPAA;

WHEREAS, SBA and Franchisee mutually desire to outline their individual responsibilities with respect to the use and/or disclosure of PHI as mandated by the Privacy Standards (45 C.F.R. Parts 160 and 164) and electronic PHI as mandated by the Security Standards (45 C.F.R. Parts 160, 162 and 164), as well as requirements under 45 C.F.R. Part 164, Subpart D, all as promulgated under the Administrative Simplifications subtitle of the Health Insurance Portability and Accountability Act of 1996 ("***HIPAA***");

WHEREAS, the Health Information Technology for Economic and Clinical Health Act (the "***HITECH Act***"), as incorporated in the American Recovery and Reinvestment Act of 2009 ("***ARRA***"), amended HIPAA and the Privacy and Security Standards to, among other things, require certain duties of business associates to be expressed in a business associate agreement and to institute new notice requirements in the event of certain breaches related to PHI;

WHEREAS, SBA and Franchisee understand and agree that HIPAA and the HITECH Act require that Franchisee and SBA enter into a Subcontractor Business Associate Agreement which shall govern the use and/or disclosure of PHI; and

WHEREAS, the parties hereto mutually agree that this Agreement is intended to satisfy this requirement of HIPAA and the HITECH Act. Terms used in these recitals that are not otherwise defined shall have the meanings given to them at 45 C.F.R. § 160.103.

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

I. DEFINITIONS

All capitalized terms used herein that are not otherwise defined shall have the same meaning as those terms are defined in HIPAA and the HITECH Act, as amended from time to time.

II. OBLIGATIONS OF SUBCONTRACTOR BUSINESS ASSOCIATE

A. Privacy Regulations

1. ***General.*** The services provided by SBA to Franchisee under the Franchise Agreement require that SBA may be given access to PHI. SBA acknowledges and agrees that all PHI that is created or received by Franchisee and disclosed or made available in any form by Franchisee to SBA, or is created, received, maintained or transmitted by SBA on Franchisee's behalf, will be subject to this Agreement. SBA will comply with the following provisions with respect to an Individual's PHI:

    a. **Safeguards against Misuse of PHI.** SBA will use reasonable and appropriate safeguards to prevent use and/or disclosure of PHI other than as provided for in this Agreement.

    b. **Use and Disclosure of PHI.** SBA will not use or disclose PHI other than as permitted or required by this Agreement or as Required by Law.

    c. **Reporting of Violations.** SBA agrees to report to Franchisee any use or disclosure of PHI in violation of this Agreement of which it becomes aware.

    d. **Disclosures to Third Parties.** SBA will ensure that any Subcontractors, to whom SBA provides PHI received from, or created or received by SBA on behalf of Franchisee, agree to the same restrictions and conditions that apply to SBA hereunder.

    e. **Access to PHI.** SBA will make available PHI in a designated record set as necessary to satisfy Covered Entity's obligations under 45 CFR 164.524.

    f. **Amendment of PHI.** SBA will make any amendment(s) to PHI in a designated record set as directed or agreed to by 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. **Accounting of Disclosures.** To the extent that SBA makes a disclosure of PHI for which an accounting of disclosures is required under 45 C.F.R. § 164.528, SBA will document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.

    h. **Availability of Books and Records.** SBA will make available its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by SBA on behalf of Franchisee,

available to the Secretary of the Department of Health and Human Services for purposes of determining Franchisee's compliance with HIPAA, subject to attorney-client and other applicable legal privileges.

i. **Minimum Necessary.** In conducting functions and/or activities under this Agreement that involve the use and/or disclosure of PHI, SBA will make reasonable efforts to limit the use and/or disclosure of PHI to the minimum necessary in accordance with 45 C.F.R. § 164.514(d), as well as the HITECH Act, to accomplish the intended purpose of such use or disclosure.

j. **Mitigation.** SBA agrees to mitigate, to the extent practicable, any harmful effect that is known to SBA of a use or disclosure of PHI by SBA in violation of the requirements of this SBAA.

2. ***Permitted Uses and Disclosures of PHI.*** Except as otherwise limited in this Agreement, SBA may:

a. Use or disclose PHI to perform the Services or carry out the Franchise Agreement. Notwithstanding the foregoing, SBA will not use or disclose PHI if such use or disclosure would violate HIPAA if done by a Covered Entity.

b. Use PHI for its proper management and administration, or to carry out its legal responsibilities.

c. Disclose PHI to third parties: (i) for its proper management and administration; or (ii) to carry out its legal responsibilities, provided that: (A) the disclosures are Required by Law; or (B) SBA obtains reasonable assurances from the person or entity to whom the information is disclosed that such information will remain confidential and will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and that such person or entity will promptly notify SBA of any instances of which it becomes aware in which the confidentiality of the information has been breached.

d. SBA may use or disclose PHI as Required by Law.

e. SBA may use PHI to provide data aggregation services related to the health care operations of Covered Entities as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).

f. SBA may use PHI to create information that is de-identified. Any such de-identification by SBA will be done in compliance with 45 C.F.R. § 164.514(b).

g. SBA may use and disclose PHI for such purposes as are agreed upon by Individuals pursuant to an Authorization that meets the requirements of 45 C.F.R. § 164.508 and which a Covered Entity, or Franchisee acting at a Covered Entity's direction, secures from the Individual(s) as SBA may require under the Franchise Agreement or Manuals. If required by SBA

under the Franchise Agreement, or Manuals, Franchisee will use such Authorization form as directed by SBA. If SBA requires, Franchisee, on behalf of the Covered Entity, will track any Individuals that it does not obtain the aforementioned authorization from and provide a list of such Individuals to SBA in the format and frequency as designated by SBA.

B. Security Standards. SBA agrees that it will comply, and cause all of its employees and subcontractors to comply, with the applicable requirements of the Security Standards, including, but not limited to the following:

1. ***Security Safeguards.*** SBA will implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of Franchisee as required by the Security Standards.

2. ***Disclosure to Third Parties.*** SBA will ensure that any representative or agent, including a subcontractor, to whom it provides electronic PHI agrees to implement reasonable and appropriate safeguards to protect such information.

3. ***Reporting of Violations.*** SBA will report to Franchisee any successful Security Incident or any Breach of which it becomes aware, such report to be made within five (5) days of the date on which SBA first discovers the event. SBA shall cooperate in providing any breach notifications resulting from such Security Incident or Breach as may be required under HIPAA, the HITECH Act and/or applicable law. Notwithstanding the foregoing, the Parties acknowledge and agree that SBA need not report all attempted but unsuccessful Security Incidents to Franchisee, and that this Agreement constitutes notice to Franchisee that such unsuccessful Security Incidents occur periodically. Unsuccessful Security Incidents include, but are not limited to, pings and other broadcast attacks on SBA's firewall, port scans, unsuccessful log-on attempts, denials of service, and any combination of the above, so long as such incidents do not result in actual unauthorized access, use, or disclosure of PHI. For purposes of this Agreement, "Breach" shall have the meaning given to it at 45 C.F.R. § 164.402; provided, however, that SBA shall have sole discretion to determine whether a "Breach" has occurred. The Parties shall cooperate in providing any breach notifications resulting from such Security Incident or Breach as may be required under HIPAA, the HITECH Act and/or applicable law and SBA shall have control and discretion over reporting any Breaches of SBA under this Section as further described in Section B.5, below.

4. Franchisee will report to SBA any Breach of Unsecured PHI by Franchisee or any Covered Entity with which Franchisee has a business associate agreement or to whom Franchisee is otherwise a business associate under HIPAA. All notifications of Breach of Unsecured PHI will be made by Franchisee to SBA without unreasonable delay and in no event later than five (5) days of discovery. Franchisee will use the standard at 45 C.F.R. § 164.410(a) to determine when the Breach is treated as discovered. All notifications will comply with the obligations of a Covered Entity under, and include the information specified in, 45 C.F.R. § 164.410 and include any other available information that Covered Entity is required to include in its notification to individuals pursuant to 45 C.F.R. § 164.404(c). Franchisee is responsible for ensuring that its business associate agreements or other

arrangements with Covered Entities can permit reporting to SBA as contemplated under this section. Notwithstanding the foregoing, SBA, and not Franchisee or Covered Entity, will be responsible for providing notification to individuals, media and the Secretary of HHS for any breaches caused by Franchisee or Covered Entity. Franchisee will indemnify, hold harmless and reimburse SBA for any costs and expenses SBA incurs in notifying individuals, the media and related expenses arising from a Breach, or costs of mitigation related thereto, caused by Franchisee or Covered Entity or any of their officers, directors, employees, subcontractors or agents.

5. SBA shall provide Franchisee with its proposed notification and remediation plan, concurrently with providing notice of any Breach of Unsecured PHI by SBA under section B.3, and shall provide same within 24 hours of receiving notice of any Breach of Unsecured PHI by Franchisee under section B.4. Franchisee shall have 48 hours to provide feedback on the draft notifications and remediation plan. If Franchisee does not provide feedback or respond to the draft notifications and remediation plan within 48 hours, the draft notifications and remediation plan will be deemed approved. However, if Franchisee does object to the draft notifications or remediation plan, the parties shall consult and work in good faith to agree upon the form and content for the notifications and the remediation plan. In the event that the parties are unable to agree upon a resolution within 24 hours of Franchisee providing its objections, SBA, in its sole discretion, shall determine the form and content of the notifications for Breaches under B.3 or B. 4, above, as well as any remediation plan. Franchisee will reimburse SBA for all cost and expenses incurred by or associated with SBA's efforts or work in preparing, distribution or maintaining any notifications, as well as all costs and expenses incurred as a result of remediation arising from related to a Breach of Unsecured PHI by Franchisee or a Covered Entity.

III. TERM AND TERMINATION

A. Term. The term of this Agreement shall be effective as of the Effective Date, and shall terminate when SBA no longer performs the Services for Franchisee, however, notwithstanding the termination of this Agreement, SBA will be required to comply with **Section III.B** below.

B. Effect of Termination. Except as set forth in this **Section III.B**., upon termination of this Agreement for any reason, at the request of Franchisee, SBA will return or destroy all PHI received from Franchisee, or created or received by SBA on behalf of Franchisee. However, to the extent applicable laws require or recommend that SBA maintain records containing such PHI, Franchisee agrees to permit SBA to copy (if necessary) and maintain such records at SBA's sole cost and expense. In the event that SBA determines in its sole discretion that returning or destroying the PHI is infeasible, SBA will extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make return or destruction infeasible, for so long as SBA maintains such PHI.

IV. OBLIGATIONS OF FRANCHISEE

A. Commitments. Franchisee agrees to comply with applicable federal and state confidentiality and security laws, specifically the provisions of HIPAA applicable to

business associates, and the following obligations:

i. To not request that SBA use or disclose PHI in any manner that would not be permissible under HIPAA if done by a business associate.

ii. Franchisee will ensure that any Covered Entities to which it is a business associate use a Notice of Privacy Practices substantially in the form required under the Franchise Agreement or Manuals.

iii. To ensure that Covered Entities obtain, or to obtain on the Covered Entities' behalf, Authorization, pursuant to 45 C.F.R. § 164.508, that permits SBA to use and disclose PHI for such purposes as are required under the Franchise Agreement or Manuals. Franchisee is further responsible for tracking, or ensuring that Covered Entities track, those patients who agree to sign the Authorization (the "Authorizing Patients") from those patients who do not agree to sign the Authorization (the "Non-Authorizing Patients") if directed to do so by SBA. Franchisee further agrees to inform SBA of any withdrawal of Authorization provided to Franchisee, or provided to any Covered Entity of which Franchisee is a business associate, by Individuals to use or disclose PHI pursuant to 45 C.F.R. §164.508 or any changes in or revocation of permission by an Individual to use or disclose PHI to the extent such changes may affect SBA's permitted or required uses and disclosures.

iv. To notify SBA, in writing and in a timely manner, of any arrangements permitted or required of a Covered Entity (to which Franchisee is a business associate) under 45 C.F.R. part 160 and 164 that may impact in any manner the use and/or disclosure of PHI by SBA under this SBAA, including, but not limited to, restrictions on use and/or disclosure of PHI as provided for in 45 C.F.R. § 164.522 agreed to by a Covered Entity.

v. That SBA may make any use and/or disclosure of PHI permitted under 45 C.F.R. § 164.512 and this SBAA.

vi. That Franchisee shall maintain data protection insurance coverage in a commercially reasonable amount which is no less than $1.0 million per occurrence and $3.0 million in the aggregate, as necessary to provide coverage for any claims, demands, awards, judgments, actions and proceedings arising out of Franchisee's conduct as a HIPAA-regulated business associate, or such other amounts as may be required by SBA under the Franchise Agreement or Manuals.

V. MISCELLANEOUS

A. Counterparts; Attachments. This Agreement may be executed in counterparts, by manual or facsimile signature, all of which will be deemed an original and all of which will constitute one and the same agreement.

B. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior negotiations, discussions, representations, or proposals, whether oral or written, unless expressly incorporated herein, related to the subject matter of this Agreement. Unless otherwise expressly provided herein, this Agreement may not be modified unless in writing signed by the duly authorized representatives of the parties. If

any provision or part thereof is found to be invalid, the remaining provisions shall remain in full force and effect.

C. No Third Party Beneficiaries. There are no third party beneficiaries to this Agreement.

D. Successors and Assigns. This Agreement will inure to the benefit of and be binding upon the successors and assigns of the parties. However, this Agreement is not assignable by Franchisee without prior written consent of SBA.

E. No Waiver. Nothing contained herein shall be deemed to require the waiver of any applicable attorney-client privilege or attorney work product protection otherwise available.

F. Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with HIPAA.

G. Indemnification. Franchisee will defend, hold harmless and indemnify SBA and its officers, directors, members, and affiliates against any and all claims, liabilities, damages, judgments, costs and expenses (including reasonable attorney's fees and costs) asserted against, imposed upon or incurred by SBA that arises out of, or in connection with, Franchisee's default under or failure to perform any contractual or other obligation, commitment or undertaking under this Agreement, or the negligence of Franchisee or its subcontractors, employees, agents, or representatives in the discharge of its or their responsibilities, or any other act or omission of Franchisee or its subcontractors, employees, agents or representatives. This provision will survive termination of the Agreement with respect to any claim, action, or proceeding by a third party that relates to acts or omissions occurring during the term of this Agreement.

H. Representation and Warranty. Franchisee warrants and represents that it is in compliance with the HIPAA Security Rule and the provisions of the HIPAA Privacy Rule that apply to business associates.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Subcontractor Business Associate Agreement as of the Effective Date.

COVERED ENTITY	**BUSINESS ASSOCIATE**
Franchisee:	Structural Elements Franchising, LLC
By:	By:
Name:	Douglas Bertram, Authorized Member
Title:	Date:
Date:	

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT VI
GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGMENT

As an inducement to Structural Elements Franchising, LLC ("**SEF**") to execute the Structural Elements Unit Franchise Agreement between SEF and _____ ("**Franchisee**"), dated _____, 20__ (the "**Agreement**"), the undersigned, jointly and severally, hereby unconditionally guarantee to SEF and SEF's successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed.

This is a guarantee of payment and not of collection. Upon demand by SEF, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require SEF to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, SEF may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

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

The undersigned each hereby jointly and severally acknowledge the provisions of Section 12 of the Agreement and expressly agree to be individually bound by all of the covenants contained in Sections 12, 14, 17, 19, 20 and 21 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Structural Elements" marks or System.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Sections 19 and 20 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____
_____

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____
_____

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____
_____

STRUCTURAL ELEMENTS
UNIT FRANCHISE AGREEMENT
EXHIBIT VII
TELEPHONE ASSIGNMENT AGREEMENT

THIS TELEPHONE ASSIGNMENT AGREEMENT (the "**Telephone Assignment Agreement**") is made and entered into as of the _____ day of _____, 20___ (the "**Effective Date**"), by and between Structural Elements Franchising, LLC, a Maryland limited liability company ("**SEF**"), and _____, _____ (the "**Franchisee**").

W I T N E S S E T H:

WHEREAS, Franchisee desires to enter into a Structural Elements Franchising, LLC Unit Franchise Agreement (the "**Franchise Agreement**") to operate a business providing structural balancing therapy (the "**Clinic**"); and

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

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

1. DEFINITIONS

All terms used but not otherwise defined in this Telephone Assignment Agreement will have the meanings set forth in the Franchise Agreement.

2. TRANSFER; APPOINTMENT

2.1 Interest in Telephone Numbers and Listings. Franchisee has, or will acquire during the term of the Franchise Agreement, certain right, title, and interest in and to certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the "**Telephone Numbers and Listings**") related to the Clinic or the Marks (all of which right, title, and interest is referred to herein as Franchisee's "**Interest**").

2.2 Transfer. On Termination of the Franchise Agreement, if SEF directs Franchisee to do so, Franchisee will immediately direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the "**Telephone Companies**") with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee's Interest in such Telephone Numbers and Listings to SEF; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event SEF does not desire to accept any or all such Telephone Numbers and Listings, Franchisee will immediately direct the Telephone Companies to terminate such Telephone Numbers and Listings or will take such other actions with respect to the Telephone Numbers and Listings as SEF directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints SEF and any officer or agent of SEF, for SEF's benefit under the Franchise Agreement and this Telephone Assignment Agreement or otherwise, with full power of substitution, as Franchisee's true and lawful attorney-in-fact

with full power and authority in Franchisee's place and stead, and in Franchisee's name or the name of any affiliated person or affiliated company of Franchisee, on Termination of the Franchise Agreement, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Telephone Assignment Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its Related Parties on the one hand, and SEF and any of its Related Parties on the other, are parties, including, without limitation, this Telephone Assignment Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to SEF the power and right to do the following:

2.3.1 Direct the Telephone Companies to transfer all Franchisee's Interest in and to the Telephone Numbers and Listings to SEF;

2.3.2 Direct the Telephone Companies to terminate any or all of the Telephone Numbers and Listings; and

2.3.3 Execute the Telephone Companies' standard assignment forms or other documents in order to affect such transfer or termination of Franchisee's Interest.

2.4 Certification of Termination. Franchisee hereby directs the Telephone Companies that they accept, as conclusive proof of Termination of the Franchise Agreement, SEF's written statement, signed by an officer or agent of SEF, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies have duly transferred all Franchisee's Interest in such Telephone Numbers and Listings to SEF, as between Franchisee and SEF, Franchisee will have no further Interest in, or obligations under, such Telephone Numbers and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies for the sums Franchisee is obligated to pay such Telephone Companies for obligations Franchisee incurred before the date SEF duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Telephone Assignment Agreement.

3. MISCELLANEOUS

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

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

3.3 No Duty. The powers conferred on SEF under this Telephone Assignment Agreement are solely to protect SEF's interests and will not impose any duty on SEF to exercise any such powers.

Franchisee expressly agrees that in no event will SEF be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings.

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

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

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

3.7 Survival. This Telephone Assignment Agreement will survive the termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Telephone Assignment Agreement will be joint and several.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Telephone Assignment Agreement as of the Effective Date.

SEF:

Structural Elements Franchising, LLC

By:_____
Name: Douglas Bertram
Title: Authorized Member

FRANCHISEE:

If an Individual:

Signature:_____
Printed Name:_____

If other than an Individual:

_____
[INSERT ENTITY NAME]

_____
By:_____
Title:_____

EXHIBIT D
FORM OF GENERAL RELEASE

The following is our current general release agreement that we expect to include in a release that a Franchisee, other franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release agreement.

General Release

THIS GENERAL RELEASE (the "**Release**") is made and entered into on this _____day of _____, 20___ (the "**Effective Date**"), by and between:

- Structural Elements Franchising, LLC, a Maryland limited liability whose principal place of business is 13214 Fountainhead Plaza Hagerstown, Maryland 21742 ("**Franchisor**"); and

- _____ _____a [resident of] [corporation organized in] [limited liability company organized in] _____and having offices at _____ _____ [("**Franchisee**")] [("**Transferor**")].

BACKGROUND:

A. Franchisor and Franchisee are party to a Franchise Agreement dated _____ (the "**Franchise Agreement**");

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee's rights under the Franchise Agreement (the "**Renewal Transaction**")] [to permit a transfer or assignment of _____ pursuant to Section 14 of the Franchise Agreement (the "**Transfer Transaction**")], and in connection with the [Renewal Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. Franchisee, its officers and directors, its owners, guarantors, and their respective agents, heirs, administrators, successors, and assigns (the "**Franchisee Group**"), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the "**Franchisor Group**"), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee and/or the Franchisee Group had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Structural Elements Clinic(s), excluding only such claims as the Franchisee [Transferor] may have under the Maryland Franchise Registration and Disclosure Law (Md. Code Bus. Reg. §§ 14-201 through 14-233). The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or

consequential) including, without limitation, reasonable attorneys', accountants', and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement, but only to the extent such liability relates to actions occurring prior to the Effective Date. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release may be signed in counterparts. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only and shall neither amend nor modify the terms hereof.

2.5 The parties agree that all actions arising under this Release must be commenced in the state or federal court of general jurisdiction in Maryland, 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. This Release shall be interpreted and construed under the laws of the State of Maryland. In the event of any conflict of law, the laws of the State of Maryland shall prevail (without regard to, and without giving effect to, the application of Maryland conflict of law rules).

2.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.7. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

Structural Elements Franchising, LLC Franchisor	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

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structural elements®

ORTHOPEDIC WELLNESS CLINIC.

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EXHIBIT F
FINANCIAL STATEMENTS

Audited Financial Statements

December 31, 2025

Structural Elements Franchising, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Member
Structural Elements Franchising, LLC
Hagerstown, Maryland

Opinion

We have audited the accompanying financial statements of Structural Elements Franchising, LLC (a Maryland limited liability company), which comprise the balance sheets as of December 31, 2025, 2024, and 2023 and the related statements of income (loss), member's equity (deficit) and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Structural Elements Franchising, LLC as of December 31, 2025, 2024, and 2023 and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Substantial Doubt about the Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 9 to the financial statements, the Company's significant operating losses raise substantial doubt about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 9. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Structural Elements Franchising, LLC's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Structural Elements Franchising, LLC's ability to continue as a going concern for a reasonable period of time.

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

Smith Elliott Kearns & Company, LLC

Hagerstown, Maryland
February 11, 2026

STRUCTURAL ELEMENTS FRANCHISING, LLC
Balance Sheets
December 31, 2025, 2024 and 2023

	2025	2024	2023
ASSETS			
Current Assets			
Cash and cash equivalents	$ 5,024	$ 3,368	$ 1,682
Accounts receivable, net	17,076	16,420	17,907
Prepaid expenses	6,812	3,563	1,551
Inventory	3,668	5,222	-
Total Current Assets	32,580	28,573	21,140
Property and Equipment			
Equipment	15,911	15,911	15,169
Vehicle	54,698	54,698	54,698
Website	18,960	18,960	18,259
Leasehold improvements	3,500	-	-
	93,069	89,569	88,126
Less accumulated depreciation	83,009	80,379	88,126
Total Property and Equipment, Net	10,060	9,190	-
Other Assets			
Trademark license agreement	100,000	100,000	100,000
Due from related parties	477,568	874,415	625,647
	577,568	974,415	725,647
TOTAL ASSETS	$ 620,208	$ 1,012,178	$ 746,787
LIABILITIES AND MEMBER'S EQUITY (DEFICIT)			
Current Liabilities			
Accounts payable	$ 1,125	$ 1,504	$ 1,473
Interest payable	1,971	2,977	8,062
Accrued expenses	-	-	5,073
Small Business Administration note payable, current maturities	2,142	2,063	3,383
Line of credit	845,289	919,657	634,513
Total Current Liabilities	850,527	926,201	652,504
Long-term Liabilities			
Small Business Administration note payable, less current maturities	84,157	84,527	85,346
Total Liabilities	934,684	1,010,728	737,850
Member's Equity (Deficit)	(314,476)	1,450	8,937
TOTAL LIABILITIES AND MEMBER'S EQUITY (DEFICIT)	$ 620,208	$ 1,012,178	$ 746,787

STRUCTURAL ELEMENTS FRANCHISING, LLC
Statements of Income (Loss)
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
REVENUE			
Royalty revenue	$ 178,583	$ 161,325	$ 127,730
Brand fees	5,928	5,444	4,380
Subscription and technology fees	4,200	4,200	4,200
Initial franchise fees	8,875	5,375	-
Training fees	5,000	5,000	-
Product Sales	4,238	4,762	-
Total Revenue	206,824	186,106	136,310
COST OF SALES	3,304	2,423	977
Gross Profit	203,520	183,683	135,333
OPERATING EXPENSES			
Payroll and benefits	214,022	157,411	156,921
Professional fees	119,752	99,421	58,428
Marketing and advertising	85,276	47,492	23,461
Rent	18,000	18,000	18,000
HR services	2,244	6,001	12,347
Dues and subscriptions	2,766	3,479	8,432
Bank fees	5,589	2,093	4,010
Insurance	2,783	3,054	2,765
Office supplies and other expenses	33	9,375	2,021
Taxes and licenses	949	349	997
Depreciation	2,630	1,202	924
Bad debt expense	-	-	6,425
Operating Expenses	454,044	347,877	294,731
Operating (Loss)	(250,524)	(164,194)	(159,398)
OTHER INCOME (EXPENSE)			
Management fee revenue	12,000	27,000	78,000
Interest expense	(77,402)	(70,293)	(44,455)
Total Other Income (Expense)	(65,402)	(43,293)	33,545
NET (LOSS)	$ (315,926)	$ (207,487)	$ (125,853)

STRUCTURAL ELEMENTS FRANCHISING, LLC
Statements of Member's Equity (Deficit)
Years Ended December 31, 2025, 2024 and 2023

BALANCE AT JANUARY 1, 2023	$ 134,790
Net (loss)	(125,853)
BALANCE AT DECEMBER 31, 2023	8,937
Equity contributions	200,000
Net (loss)	(207,487)
BALANCE AT DECEMBER 31, 2024	1,450
Net (loss)	(315,926)
(DEFICIT) AT DECEMBER 31, 2025	$ (314,476)

STRUCTURAL ELEMENTS FRANCHISING, LLC
Statements of Cash Flows
Years Ended December 31, 2025, 2024 and 2023

	2025	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Net (loss)	$ (315,926)	$ (207,487)	$ (125,853)
Adjustments to reconcile net (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	2,630	1,202	924
Provision for bad debts	-	-	600
(Increase) decrease in accounts receivable	(656)	1,487	(2,234)
(Increase) in prepaid expenses	(3,249)	(2,012)	(60)
(Increase) decrease in due from related parties	396,847	(248,768)	(211,743)
(Increase) decrease in retail inventory	1,554	(5,222)	-
Increase (decrease) in accounts payable	(379)	31	733
Increase (decrease) in accrued expenses/interest payable	(1,006)	(10,158)	2,254
Net Cash Provided By (Used In) Operating Activities	79,815	(470,927)	(335,379)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property and equipment	(3,500)	(10,392)	-
Net Cash (Used In) Investing Activities	(3,500)	(10,392)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net borrowings (repayments) on the line of credit	(74,368)	285,144	326,532
Proceeds from short-term borrowings	1,075,000	-	-
Repayment of short-term borrowings	(1,075,000)	-	-
Paydown of note payable	(291)	(2,139)	-
Member capital contribution	-	200,000	-
Net Cash Provided By (Used In) Financing Activities	(74,659)	483,005	326,532
Net Increase (Decrease) In Cash and Cash Equivalents	1,656	1,686	(8,847)
CASH AND CASH EQUIVALENTS - BEGINNING	3,368	1,682	10,529
CASH AND CASH EQUIVALENTS - ENDING	$ 5,024	$ 3,368	$ 1,682
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid during the year for interest	$ 78,408	$ 66,639	$ 46,212

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

Structural Elements Franchising, LLC (the Company) is a limited liability company organized in the State of Maryland on August 26, 2015. The Company is a franchisor of STRUCTURAL ELEMENTS® treatment centers that provide orthopedic wellness services through the Structural Elements treatment process, which combines dry needling techniques with a holistic approach to structural balancing by using a body mapping system developed by the Company's founder. In addition to franchising of treatment centers, the Company also enters into micro franchising agreements which allow for the delivery of treatments to customers at either a regional developer clinic, franchised clinic or Company-owned clinic by the individual micro franchisee. The intended market for franchises and micro franchises is throughout the United States. As of December 31, 2025, there were three active franchised treatment centers and ten active micro-franchisees.

During 2019, the Company formed a new wholly owned subsidiary, SEF Development LLC (SEFD). While SEFD had no activity in 2019, during 2020 it acquired most of the assets of Structural Elements, LLC (SE), an entity wholly owned by the Company's founder that operated a clinic in Hagerstown, Maryland and which served as a model for the franchising business. The purpose of this asset purchase was for SEFD to continue operating the clinic formerly operated by SE whereby micro franchisees utilize clinic space to provide treatment services in exchange for rental and administrative service fees. In conjunction with this effort, SEFD signed a lease for the same building space being used for the clinic, which continued operations during and since this transaction. Excluded from this agreement were intellectual property rights and licenses associated with the STRUCTURAL ELEMENTS® brand, for which SE and the Company have a separate active licensing agreement as discussed further in Note 3.

During 2021 a new entity, Structural Elements Holdings, LLC (Holdings) was established. On December 31, 2021 the Company's ownership group, comprised of twenty-two individuals and entities as of that date, executed an agreement to contribute their collective ownership shares to Holdings in exchange for the same proportionate ownership interests in Holdings. Through this agreement the Company also contributed its ownership in SEFD.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash

From time to time during the years presented, SEF's bank account balances may have exceeded the federally insured limit. Management considers this to be a normal business risk.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable and Allowance for Credit Losses

SEF provides credit in the normal course of business to its customers and franchisees and performs ongoing credit evaluations on the franchisees. Receivables are generally due thirty (30) days after billed. SEF considers allowances for credit losses based on factors surrounding the credit risk of specific customers, historical trends, projections of trends and other information. Management of SEF periodically reviews the collectability of accounts receivable, and those accounts which are considered not collectible are written off as bad debts using the direct write-off method. Based on management's review an allowance for doubtful accounts is not considered necessary. Management believes that application of the current expected credit loss principles and guidance would not result in a material difference from their use of the direct write-off method.

Inventory

Inventory is valued at the lower of cost or net realizable value, using the first-in-first-out method, and is comprised of orthotics which are available for sale to franchisees.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

	Life in Years
Leasehold improvements	10
Equipment	5
Vehicles	5
Website design costs	5

SEF capitalizes assets that have an individual cost of $500 or more and a useful life exceeding one year. Maintenance and repairs are charged to expense as incurred. When assets are retired or otherwise disposed of, the cost is removed from the asset accounts and the related depreciation reserve is adjusted with the difference being charged to income.

Member's Assets and Liabilities

The financial statements of Structural Elements Franchising, LLC include only the assets and liabilities of the Company for all years presented.

Income Taxes

For income tax purposes, a limited liability company is treated as a partnership and does not incur federal or state income taxes. A limited liability company's earnings and losses are included in the members' income tax returns.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Uncertain Tax Positions

SEF follows generally accepted accounting principles, which provides guidance on accounting for uncertainty in income taxes recognized in a company's financial statements. SEF's policy is to charge penalties and interest to income tax expense as incurred. SEF's federal and state income tax returns are subject to examination by the Internal Revenue Service and state tax authorities, generally for a period of three years after the returns are filed.

Advertising

SEF expenses the production costs of advertising the first-time advertising takes place, except for direct-response advertising, which if incurred would be capitalized and amortized over its expected period of future benefits. There was no direct-response advertising incurred for the years presented.

Risk and Uncertainties

Assets of the Company may be exposed to various risks, such as interest rate, market and credit risks. Market risks include global events such as pandemics and international conflicts which could impact general economic conditions within the markets in which the Company operates, thereby creating uncertainty for the Company. Such events could impact the Company's ability to maintain its operating results at the same level.

Statement of Cash Flows

For purposes of the statement of cash flows, SEF has defined cash equivalents as all highly liquid deposits with a maturity of three months or less.

Revenue Recognition

The Company generates revenues primarily through the following revenue streams:

Initial Franchise Fees

The initial fees paid by the franchisee or micro franchisee for providing assistance, training for licensed professionals and the right to use logos. While there are multiple performance obligations as described, substantially all of these fees are attributed to training and are therefore recognized as revenue when the training occurs, which is generally soon after signing the franchise agreement.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Training Income

Fees charged for training not otherwise included in the initial franchise fees described above. These are typically training sessions to continue development of skills and knowledge of the SE methods, after franchisees and micro franchisees have completed initial training and onboarding. These fees are charged in order to attend specific courses and revenues are recognized as revenue by the Company at the time training is conducted.

Royalty Income

Fees paid by the franchisee monthly based on their earned gross receipts. The Company provides ongoing informal support as well as ongoing access to SE branded materials, emails and logos and other trademarked materials in exchange for royalties. This income is recognized as revenue by the Company in the same period that the gross receipts of the franchisee occur.

Subscription and Technology Fees

Fees paid by franchisees which allows them access to various online educational and training materials, and related technology support. These fees are charged to franchisees monthly and are recognized as revenue by the Company at the time they are charged.

Brand Fees

Fees paid by franchisees to support broad branding and marketing efforts intended to establish and expand recognition of the brand as well as individual franchisees. These fees are charged monthly as a percentage of gross receipts of the franchisee and are recognized as revenue by the Company as they are charged.

Product Sales

Revenues from the sale of orthotics items to unit and micro franchisees and units for retail sale. These sales are recognized when delivered to the franchisee which typically is at the time of sale and are comprised of a single performance obligation of transferring control and ownership of the product.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31:

Asset Description	Cost	Accumulated Depreciation	Net Book Value
2025			
Equipment	$ 15,911	$ 15,248	$ 663
Leasehold improvements	3,500	263	3,237
Vehicle	54,698	54,698	-
Website design cost	18,960	12,800	6,160
	$ 93,069	$ 83,009	$ 10,060
2024			
Equipment	$ 15,911	$ 15,175	$ 736
Vehicle	54,698	54,698	-
Website design cost	18,960	10,506	8,454
	$ 89,569	$ 80,379	$ 9,190
2023			
Equipment	$ 15,169	$ 15,169	$ -
Vehicle	54,698	54,698	-
Website design cost	18,259	18,259	-
	$ 88,126	$ 88,126	$ -

NOTE 3 OTHER ASSETS

Licensing Agreement

As discussed in Note 1, SEF entered into a trademark licensing agreement with SE for the exclusive, royalty-free, worldwide perpetual right to use the trademarks owned by SE in connection with the advertising, promotion and sale of franchises of STRUCTURAL ELEMENTS® therapy businesses and to sublicense to franchisees the rights to use the licensed trademarks in advertising, promoting and operating STRUCTURAL ELEMENTS® businesses.

In exchange for rights granted under trademark licensing agreement, SEF paid SE a one-time license fee of $100,000 in September 2015 resulting in the recognition of this intangible asset on the balance sheet of SEF. An amended licensing agreement was executed on December 31, 2021 which transferred this license to Holdings and allowed for use of the license by all subsidiaries of Holdings including SEF. As no consideration was paid as a result of the amendment, SEF's rights to use of the license were not restricted, the licensing agreement is considered to have an indefinite life, and management has not identified any impairment of the license as of December 31, 2025, it remains presented as an intangible asset on the balance sheet of SEF.

NOTE 4 LINE OF CREDIT

In February 2018, SEF entered into a line of credit agreement with Fulton Bank (formerly The Columbia Bank). The line of credit was due upon demand of the lender and under the agreement SEF could have outstanding borrowings at any one time for an amount up to $500,000. Interest on outstanding borrowings accrued at a variable rate equal to the prime rate plus 0.5% and was payable monthly. The line of credit was collateralized by all business assets of SE and was guaranteed by two members of SEF and the founder of the Company. The right of setoff was granted to Fulton Bank for any amounts owed under the line of credit. The outstanding balance due at December 31, 2022 was $307,981. In July 2023, SEF closed this line of credit agreement with Fulton Bank and entered into a new agreement with First United Bank.

SEF's line of credit with First United Bank, established on July 21, 2023, allowed for outstanding borrowings at any one time up to $1,000,000, before the credit limit was increased to $1,500,000 in 2025. Interest on outstanding borrowings accrues at a variable rate equal 3.5% plus the highest Secured Overnight Financing Rate (SOFR) 30 day average rate as published in the SOFR Average and Index Date section of the Federal Reserve Bank of New York. This resulted in an interest rate of 7.51% as of December 31, 2025. Payments of interest are due monthly with all accrued and unpaid interest and outstanding principal being due on demand. The line of credit is guaranteed by Holdings as well as by its managing member and one of its investors. The line of credit is also collateralized by all business assets of the Company and the personal residence of the managing member of Holdings. The line of credit requires compliance with various financial and non-financial covenants, including that the Company will maintain or exceed a debt coverage ratio of 1.25 or greater. The Company was unable to achieve this debt coverage ratio for the year ended December 31, 2025.

NOTE 5 NOTES PAYABLE

During 2020, SEF signed a note payable with the U.S. Small Business Administration (SBA) under the Economic Injury Disaster Loan (EIDL) program. The note is in the amount of $16,400 and is payable beginning March 2022 with monthly payments of $80 comprising principal and interest. This note carries a rate of 3.75% and matures in 30 years.

During 2022, SEF signed a new note payable with the SBA under the EIDL program, effectively replacing the note signed during 2020 in the amount of $16,400 and increasing the loan amount from $16,400 to $89,100. Repayment of the loan commenced in November 2022 at a fixed rate of 3.75% and matures in June 2050.

Details of SEF's current note payable and long-term debt as of December 31, 2025, 2024 and 2023 are as follows:

	2025	2024	2023
SBA note payable	$ 86,299	$ 86,590	$ 88,729
Less: current maturies	(2,142)	(2,063)	(3,383)
	$ 84,157	$ 84,527	$ 85,346

NOTE 5 NOTES PAYABLE (CONTINUED)

Following are maturities of the note payable at December 31:

December 31,		
2026	$	2,142
2027		2,223
2028		2,308
2029		2,396
2030		2,488
Thereafter		74,742
	$	86,299

NOTE 6 FRANCHISE AND MICRO FRANCHISE SALES

SEF sold franchises for clinics based in Milwaukee, Wisconsin (WI), Leesburg, Virginia (VA) and Urbana, Maryland (MD) during the year ended December 31, 2017. The owner of the WI franchise at time of the sale was an unrelated third party who later acquired an ownership interest in SEF and then sold the franchise to an unrelated third party. The owner of the VA franchise at time of sale was an unrelated third party who later sold their franchise to the founder of SEF in 2018. The MD franchise was established by a member of SEF. As of December 31, 2025, the WI and MD franchises are in operation and pay royalties to SEF, while the VA franchise is currently inactive. Additionally, SEFD operates the original clinic location in Hagerstown, MD.

A total of ten micro franchises are active and operational as of December 31, 2025. Micro franchisees provide therapy sessions within a franchised clinic, a company-owned clinic or a clinic owned by a regional developer. Fees generated from micro franchisees are discussed in Note 1.

Several micro franchisees also signed a sublease with SEFD to rent space within the Company-operated clinic in Hagerstown, Maryland to perform therapy sessions as discussed further in Note 8.

NOTE 7 CAPITAL CONTRIBUTIONS

During the year ended December 31, 2024, SE Holdings, LLC, contributed $200,000 to SEF for use in ongoing operations. There were no capital contributions during the years ended December 31, 2025 or December 31, 2023.

NOTE 8 RELATED PARTY TRANSACTIONS

During the years ended December 31, 2025, 2024 and 2023, SEF engaged in various related party transactions primarily related to franchise royalty revenues, management services, rent, and the reimbursement of operating costs.

NOTE 8 RELATED PARTY TRANSACTIONS (CONTINUED)

Two of the three active unit franchises are owned by related parties as of December 31, 2025, and four micro franchisees are related parties. Total royalty revenues and brand fees earned from related unit and micro franchisees totaled $102,373, $92,499, and $58,419 for the years ended December 31, 2025, 2024 and 2023, respectively.

In 2021, SEF entered into an agreement to provide managerial services to SE Education LLC in exchange for a monthly fee. During 2022, SEF entered into a managed services agreement with SEFD whereby SEF would provide managerial services to SEFD in exchange for a fee. On November 1, 2024, this agreement was amended such that the fee for services was discontinued and services that continue to be provided by SEF will be exchanged for in-kind services and accommodations to be provided by SEFD to SEF. Management fee revenue earned under these agreements was $12,000, $27,000, and $78,000 for the years ended December 31, 2025, 2024 and 2023, respectively, and is included in the statements of Income (loss) as management fee revenue.

During 2022, SEF signed a sub-lease agreement with SEFD for space at the Hagerstown, Maryland clinic from which to operate. The lease is on a month-to-month basis and requires a monthly payment of $1,500 to be paid to SEFD. This is presented as rent expense in the statements of income (loss) and totaled $18,000 for the each of the years ended December 31, 2025, 2024 and 2023.

In addition to unpaid amounts due to the Company related to the above transactions, at times SEF pays for certain operating and other expenses on behalf of related entities due to its greater borrowing capacity. These receivables due to the Company are recorded as due from related parties on the balance sheets, and consisted of amounts due from the following related entities at December 31,:

	2025	2024	2023
Structural Elements, LLC	$ 1,647	$ 1,647	$ 1,947
SEF Development LLC	147,288	555,765	314,197
SE Education LLC	328,633	316,633	309,133
Structural Elements Holdings, LLC	-	370	370
	$ 477,568	$ 874,415	$ 625,647

During 2025, SEF borrowed and repaid funds under two short-term notes payable agreements with a member of SE Holdings, LLC. In February 2025, SEF borrowed $250,000 under an interest-free loan arrangement that was entirely repaid in August 2025. In October 2025, SEF borrowed $825,000 under another short-term note agreement. This note accrued interest at a rate of 6% and the entire amount of principal, along with accrued interest of $4,747 was repaid in December 2025.

NOTE 9 CONTINGENCIES

The Company has incurred substantial operating losses each of the past three years and forecasts further net operating loss for 2026 as it continues to focus on development of expanded service offerings and growth of its franchisee network through the sale of unit franchises and new relationships with micro franchisees.

SEF's ability to continue as a going concern will be contingent upon expansion of its network of unit franchises and micro franchises and the successful operation of those franchisees. Management will also need to continue closely managing costs associated with the generation of these revenues. Until such time as operating results are sufficient to exceed related costs, SEF plans to primarily rely on its line of credit as discussed at Note 4, which has approximately $654,700 of remaining borrowing capacity as of December 31, 2025, and additional capital contributions from its parent company and the managing member of that entity. Management expects that this line of credit will continue to be renewed and available. However, in the event that this debt is called or the credit facility is not renewed by the bank, the Company would be required to obtain alternative financing, that is not currently available to it, in order to continue as a going concern.

NOTE 10 SUBSEQUENT EVENTS

SEF has evaluated events and transactions subsequent to December 31, 2025 through February 11, 2026, the date these financial statements were available to be issued. Based on the definitions and requirements of generally accepted accounting principles, management has not identified any events that require recognition or disclosure in the financial statements.

EXHIBIT G
FRANCHISEE COMPLIANCE CERTIFICATION

Do not sign this Questionnaire if you are a Maryland resident, or the franchise is to be located in Maryland.

As you know, Structural Elements Franchising, LLC (the **"Franchisor"**) and you are preparing to enter into a Franchise Agreement for the right to operate as a Franchisee ("**Franchisee**") (the "**Unit Franchise Business**"). The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. The following dates and information are true and correct:

a.	_____,20__ Initials _____	The date of my first face-to-face meeting with any person to discuss the possible purchase of a franchise for a Structural Elements business.
b.	_____,20__ Initials _____	The date on which I received the Franchisor's Franchise Disclosure Document ("**FDD**").
c.	_____,20__ Initials _____	The date when I received a fully completed copy (other than signatures) of the Franchise Agreement and Addenda (if any) and all other documents I later signed.
d.	_____,20__ Initials _____	The date on which I signed the Franchise Agreement.

2. Have you received and personally reviewed the Franchise Agreement and each Addendum and related agreement attached to them?

   Yes _____ No _____

3. Do you understand all of the information contained in Franchise Agreement, each Addendum and related agreement provided to you?

   Yes _____ No _____

   If no, what parts of the Franchise Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, as needed.)

   _____

   _____

   _____

4. Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights, including required arbitration, designated locations or states for any judicial

proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations?

Yes _____ No _____

5. Have you received and personally reviewed the FDD that was provided to you?

Yes _____ No _____

6. Did you sign a receipt for the FDD indicating the date you received it?

Yes _____ No _____

7. Do you understand all of the information contained in the FDD and any state-specific Addendum to the FDD?

Yes _____ No _____

If No, what parts of the FDD and/or Addendum do you not understand? (Attach additional pages, as needed.)

_____

_____

_____

_____

8. Have you discussed with an attorney, accountant, or other professional advisor the benefits and risks of establishing and operating a Unit Franchise Business?

Yes _____ No _____

If No, do you wish to have more time to do so?

Yes _____ No _____

9. Do you understand that the success or failure of your Unit Franchise 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 _____

10. Has anyone speaking on the Franchisor's behalf made any statement or promise to you concerning the revenues, profits or operating costs of a "Structural Elements" Clinic operated by the Franchisor or its franchisees or of a Unit Franchise Business that is different from the information contained in the FDD?

Yes _____ No _____

11. Has anyone speaking on the Franchisor's behalf made any statement or promise to you about the amount of money you may earn in operating the Unit Franchise Business that is different from the information contained in the FDD?

Yes _____ No _____

12. Has anyone speaking on the Franchisor's behalf made any statement or promise concerning the total amount of revenue your Unit Franchise Business will or may generate that is different from the information contained in the FDD?

Yes _____ No _____

13. Has anyone speaking on the Franchisor's behalf made any statement or promise regarding the costs you may incur in operating your Unit Franchise Business that is different from the information contained in the FDD?

Yes _____ No _____

14. Has anyone speaking on the Franchisor's behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a Unit Franchise Business?

Yes _____ No _____

15. Has anyone speaking on the Franchisor's behalf made any statement or promise, or made an agreement with you, concerning how much service and assistance the Franchisor will provide to you (for example, concerning advertising, marketing, training, and support) that is different from the information contained in the FDD?

Yes _____ No _____

16. Have you entered into any binding agreement with the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

17. Have you paid any money to the Franchisor concerning the purchase of this franchise before today?

Yes _____ No _____

18. Do you understand that you do not have any territorial rights?

Yes _____ No _____

19. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the Unit Franchise Business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes _____ No _____

20. If you have answered "Yes" to any of questions 10-17, please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 10-17, then please leave the following lines blank.

_____
_____
_____
_____
_____
_____
_____
_____

21. Do you acknowledge and represent to Franchisor that (a) you or the entity that you form to be Franchisee will be the employer of all of your employees and will have sole discretion and authority to hire, fire, discipline, compensate and schedule working hours for, all of your employees; and (b) Franchisor and Franchisor's affiliates will have no control, or right to control, any of the employment actions or decisions in your business? *We recommend that you retain employment law counsel to advise you with your employment issues and questions.*

Yes _____ No _____

22. I signed the Franchise Agreement, and Addenda (if any) on _____, 20___, and acknowledge that no Agreement or Addendum is effective until signed and dated by the Franchisor.

23. During my negotiations and evaluations leading up to my decision to buy a Structural Elements franchise, I communicated with the following individuals from Structural Elements or its affiliates, or independent brokers:

Name	Address
1.	
2.	
3.	
4.	

[Insert additional names and addresses below if needed]

YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

FRANCHISE APPLICANT

_____
Signed

_____

Printed Name

_____, 20___

EXHIBIT H
STATE-SPECIFIC ADDENDA

Maryland Disclosure

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

Item 5, Additional Disclosures:

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.

Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

The Unit Franchise 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.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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

Franchisee Acknowledgment / Compliance Certification:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Virginia Disclosure

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

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

Franchise Questionnaires and Acknowledgments:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Wisconsin Disclosure

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Addendum apply.

Item 17, Additional Disclosures:

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

Maryland Amendment to the Franchise Agreement

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Amendment apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

The Unit Franchise 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.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

Based upon the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Section 21.k.ii, "General Disclaimer", of the Franchise Agreement is hereby deleted in its entirety.

2. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

This Amendment is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Amendment and the Franchise Agreement, the terms and conditions of this Amendment shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

Virginia Amendment to the Franchise Agreement

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "According to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable."
>
> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires franchisor to defer payment of the initial franchise fee and other initial payments owed by franchisee to franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.
>
> No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

Wisconsin Amendment to the Franchise Agreement

To the extent the Wisconsin Franchise Investment Law, Wis. Stat. §§553.01 – 553.78 or Wisconsin Fair Dealership Law, Wis. Stat. §§135.01 – 135.07 applies, the terms of this Amendment apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> "To the extent any of the provisions regarding notice of termination or change in dealership are in conflict with Section 135.04 of the Wisconsin Fair Dealership Law, the Wisconsin law shall apply."

2. Any capitalized terms that are not defined in this Amendment shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Amendment, the Franchise Agreement remains unmodified and in full force and effect.

This Amendment is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Amendment and the Franchise Agreement, the terms and conditions of this Amendment shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
_____	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

Structural Elements Unit FDD (2026)
81725762v5

EXHIBIT I
AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

between

Structural Elements Franchising, LLC

and

_____

_____

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EXHIBITS

A - TERRITORY

B - DEVELOPMENT SCHEDULE

C - PERSONAL GUARANTY AGREEMENT

D - UNIT FRANCHISE AGREEMENT

E - STATE ADDENDA

STRUCTURAL ELEMENTS FRANCHISING, LLC AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered into this _____ day of _____, 20__ between Structural Elements Franchising, LLC, a Maryland limited liability company with its principal business located at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742 ("**Structural Elements**" or "**SEF**"), and _____, a _____ formed and operating under the laws of the State of _____, or _____ an individual, with a principal place of business at _____ ("**Franchisee**"). If Franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions of this Agreement also apply to your owners.

RECITALS

A. SEF is the Franchisor of a proprietary business system for operating retail clothing businesses of a distinctive character under the name "STRUCTURAL ELEMENTS®" pursuant to certain required and recommended practices;

B. Under the unit franchise model, SEF grants to qualified persons ("**Unit Franchisees**"), pursuant to a Unit Franchise Agreement (as defined below) the right to: (i) establish, own and operate a franchised Clinic ("**Franchised Clinic**") which will also house Micro-Franchisees as described below (the "**Unit Franchise Business**").

C. Franchisee desires to obtain the right to develop and operate multiple Unit Franchise Businesses using SEF's System and Marks, within a defined geographic area, and SEF is willing to grant Franchisee that right under the terms of this Agreement.

AGREEMENTS

In consideration of the mutual covenants and agreements stated below, the parties agree as follows:

1. REFERENCES AND DEFINITIONS

A. System. "System" means the distinctive system consisting of a multi-tiered business format and methodology for establishing and operating orthopedic wellness centers (the "Clinics") that are identified by the Marks (defined below) and operate under the System and/or for providing specialized therapeutic treatments at or from the Clinics, using the Marks.

B. Client Data. "Client Data" means all data collected at or through the Franchised Clinics regarding actual or potential clients of SEF and/or Franchisee, including, but not limited to, names of clients, addresses, phone numbers, email addresses, Social Security numbers, dates of birth and payment information. Client Data includes, but is not limited to, "Protected Health Information," which means information concerning a client's past, present or future physical or mental health or condition, the provision of health care to the client, or the past, present, or future payment for the provision of care to the client, and which information identifies the client by name or by a common identifier such as Social Security Number or driver's license number.

C. Competitive Business. "Competitive Business" shall mean any business or enterprise offering physical therapy, chiropractic, massage therapy, or acupuncture/dry needling services.

D. Confidential Information. "Confidential Information" means all Client Data and all confidential or proprietary information disclosed by SEF to the Franchisee in the course of preparing to perform or performing under this Agreement, including, but not limited to, the System, any Trade Secret, related documentation, specification, and training materials, all other methods for establishing, operating and promoting the Franchised Clinics pursuant to SEF's distinctive business format, plans, methods, data, processes, supply systems, marketing systems, formulas, techniques, designs, layouts, operating procedures, the Manuals, client lists and data, ideas, research and development, and such other information as may be further developed periodically by SEF or identified to Franchisee by SEF as confidential. Except with regard to Client Data and similar information regarding clients disclosed by SEF to the Franchisee through training programs, "Confidential Information" shall not include information that the Franchisee can establish, by competent proof, (i) was known to the public prior to its disclosure to the Franchisee, or has become known to the public through no fault of the Franchisee; or (ii) was, prior to disclosure by SEF, disclosed to the Franchisee by a third party having a lawful right to make such disclosure without limitation on disclosure.

E. Development Schedule. "Development Schedule" means the period of time and cumulative number of Franchised Clinics Franchisee must open and operate, as established in the Development Schedule (Exhibit B to this Agreement).

F. Unit Franchise Agreement. "Unit Franchise Agreement" means the then-current form of agreements (including the franchise agreement and any exhibits, and other documents referenced therein) that SEF customarily uses in granting a franchise to own and operate a standalone Structural Elements clinic. Franchisee acknowledges that the Unit Franchise Agreement attached as Exhibit D is our current form of Unit Franchise Agreement and SEF, at its discretion, may modify the standard form of Unit Franchise Agreement customarily used in granting a STRUCTURAL ELEMENTS® franchise.

G. Marks. "Marks" means the name "STRUCTURAL ELEMENTS®" licensed to SEF by its affiliate, and certain other trademarks, trade names, service marks, logos, emblems, and indicia of origin that SEF designates for use in connection with the specialized orthopedic and healthcare services and products sold by the businesses operated in conformity with the System. SEF and its affiliate continue to develop, use and control the use of such Marks in order to identify for the public the source of services and products marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service.

H. Principal Owner. "Principal Owner" means the Franchisee or, if the Franchisee is a corporation, limited liability company, partnership, or limited liability partnership, it means each person who is an owner of Franchisee with an equity or membership interest (including all proprietors, partners, and shareholders), or who otherwise controls Franchisee.

I. Territory. "Territory" means the geographic area described in Exhibit A.

J. Trade Secret. "Trade Secret" means information including but not limited to the Methods, technical or non-technical data, compilations, programs, methods, techniques, processes, financial data, financial plans or lists of actual or potential clients which derives economic value, actual or potential, from not being generally known to, and not readily ascertainable by proper means by, other persons or entities who can obtain economic value from its disclosure or use.

2. DEVELOPMENT RIGHTS AND OBLIGATIONS

A. Term of Agreement/Reservation of Rights. Subject to earlier termination as provided herein, this Agreement is for a term commencing on the date executed and expiring on the date that the last

Unit Franchise Agreement is required to be executed by Franchisee under the Development Schedule. SEF (for itself and its affiliates) retains the right to:

1. establish and operate, and license others to establish and operate, Clinics at and from any physical premises located outside the Territory, notwithstanding such Clinics' proximity to any Franchised Clinic, or the actual or threatened financial impact on any Unit Franchise Business;

2. establish and operate, and license others to establish and operate, Clinics at and from any physical premises located within or contiguous to sports facilities, corporate offices (or any other business premises) or campuses, and governmental, educational, or healthcare facilities, including military bases, airports or other transportation terminals, government offices or institutions, and educational institutions, or similar types of locations ("**Captive Market Locations**") within or outside the Territory, notwithstanding such Clinics' proximity to the Territory, any Franchised Clinic, or the actual or threatened financial impact on any Unit Franchise Business;

3. establish, acquire or operate, or license others to establish and operate, clinics or businesses under systems or marks other than the System and the Marks, which clinics or businesses may offer or sell services or products that are the same as, or similar to, the services and products offered from any Franchised Clinic, and which clinics or businesses may be located within or outside the Territory, despite these clinics' or businesses' proximity to any Franchised Clinic or the actual or threatened financial impact on any Unit Franchise Business. Franchisee acknowledges and agrees that SEF or its affiliates may be acquired by another business or system that operates and/or franchises clinics that are the same as or similar to a Franchised Clinic;

4. sell and distribute, directly or indirectly, or license others to sell and distribute any services, products or merchandise at and from any location (including any Captive Market Location) or to any purchaser (including sales made on the Internet); and

5. license others the right to use the Methods and the Marks from existing clinics within or outside the Territory.

B. Rights During Development Periods. If Franchisee: (i) is in full compliance with the conditions contained in this Agreement, including the satisfaction of all development obligations as stated in Exhibit B; and (ii) is in full compliance with all obligations under each unit franchise agreement entered into between SEF and Franchisee for individual Franchised Clinics; then, during the Development Schedule, SEF will: (i) grant franchises to Franchisee to own and operate Franchised Clinics located within the Territory; and (ii) not operate (directly or through an affiliate), nor grant a franchise to a third party to operate, any Structural Elements® clinics within the Territory, except franchises granted to Franchisee or as described above. If Franchisee fails to comply with the Development Schedule, SEF may terminate this Agreement under Section 12 below or grant individual or multiple unit franchises within the Territory to third parties.

C. Development Obligations. During the term of this Agreement, Franchisee will honestly and diligently perform its obligations and continuously exert its best efforts to promote and enhance the development of the Franchised Clinics within the Territory. Franchisee agrees to open and continue to operate the cumulative number of Franchised Clinics as required in the Development Schedule.

D. Extension Fee. If Franchisee cannot comply with the Development Schedule, Franchisee may request in writing that SEF approves an extension of up to six (6) months of the time in which

Franchisee must sign a Franchise Agreement for a Franchised Clinic. Franchisee must pay us a nonrefundable extension fee of Five Thousand Dollars ($5,000) when requesting an extension to sign the Franchise Agreement for any Franchised Clinic under the Development Schedule. If SEF grants such an extension, the extension will be limited to the period permitted by SEF not to exceed six (6) months. Franchisee will not receive more than one (1) extension per every two Franchised Clinics required to be developed under the Development Schedule.

3. BUSINESS CLOSINGS

A Franchised Clinic which is permanently closed with the approval of SEF after having been open is deemed open and in operation for purposes of the Development Schedule if a replacement Franchised Clinic is open and in operation within six (6) months from the date of closing. A replacement Franchised Clinic does not otherwise count toward quotas.

4. GRANT OF FRANCHISES TO FRANCHISEE

Subject to the provisions of Sections 2 and 3 of this Agreement, SEF agrees to grant franchises to Franchisee to operate Franchised Clinics located in the Territory under the following conditions:

A. Site Selection. Franchisee is solely responsible for securing a site for each Franchised Clinic that SEF has approved as described further in each Franchise Agreement. Franchisee must submit to SEF all information that SEF may require for the proposed Franchised Clinic premises, as described in the Franchise Agreement.

B. Financial Capability Criteria. Franchisee meets the standard financial capability criteria developed by SEF. To this end, Franchisee must furnish to SEF financial statements and other information regarding Franchisee and the development and operation of the proposed Franchised Clinic (including investment and financing plans for the proposed Franchised Clinic) as SEF reasonably requires.

C. Franchise Agreement. Franchisee (and its Principal Owners, if any) must sign the Franchise Agreement for a specific Franchised Clinic (other than the Franchise Agreement for its initial Franchised Clinic) and return it to SEF prior to the date listed in the Development Schedule. Franchisee will sign the initial Franchise Agreement at the time Franchisee signs this Agreement.

5. DEVELOPMENT FEE

Upon execution of this Agreement, Franchisee must pay to SEF, as a nonrefundable "Development Fee," described on Exhibit B. The Development Fee is deemed fully earned by SEF upon execution of this Agreement and is nonrefundable. The Development Fee for each Franchised Clinic is credited against the applicable initial franchise fee for each Franchised Clinic Franchisee agrees to establish under the Development Schedule and no initial franchise fee will be owed at the time the Franchise Agreement is signed.

6. SUPERIORITY OF INDIVIDUAL FRANCHISE AGREEMENT

All individual Franchise Agreements that SEF and Franchisee sign for Franchised Clinics within the Territory are independent of this Agreement. The continued effectiveness of any individual Franchise Agreement does not depend on the continued effectiveness of this Agreement. If any conflict arises between this Agreement and any individual Franchise Agreement as to any individual Franchised Clinic, the terms of the individual Franchise Agreement will control.

7. CONFIDENTIAL INFORMATION

Franchisee acknowledges and agrees that all Confidential Information is exclusively owned by SEF as its intellectual property. During the term of this Agreement, Franchisee shall retain the Confidential Information of SEF in confidence, shall not use any such Confidential Information for its own benefit (except in performance of this Agreement or any Successor Agreement) or for the benefit of any third party, and shall not disclose any such Confidential Information to any third party (except as expressly provided in this Agreement). Notwithstanding the above, Confidential Information which qualifies as a Trade Secret shall be maintained in confidence for the maximum period of time permitted by the applicable law therefore. Moreover, the Client Data collected through the Franchised Clinic's operation is a joint asset of the parties, but solely for the use by Franchisee under a franchise agreement with SEF or transfer by Franchisee to an approved assignee of the Franchised Clinic. Franchisee must obtain signed agreements from each of Franchisee's independent contractors, employees and agents to safeguard the Confidential Information, including business associate agreements from independent contractors who will have access to the Client Data. However, any provision to the contrary notwithstanding, it shall not be a violation of the Franchisee's confidentiality obligation if disclosure of confidential information (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

The restrictions on Franchisee disclosure and use of the Confidential Information will not apply to disclosure of Confidential Information in judicial or administrative proceedings to the extent Franchisee is legally compelled to disclose this information, if Franchisee uses its best efforts, and provides SEF the opportunity, to obtain an appropriate protective order or other assurance satisfactory to SEF of confidential treatment for the information required to be so disclosed.

8. MARKS

A. Ownership of Marks. Franchisee acknowledges that it has no interest in or to the Marks and its right to use the Marks is derived solely from the individual Franchise Agreements entered into between Franchisee and SEF. SEF agrees that all use of the Marks by Franchisee and any goodwill established exclusively benefits SEF. Franchisee agrees that after termination or expiration of this Agreement, Franchisee will not, except with respect to Franchised Clinics operated by SEF under individual Franchise Agreements, directly or indirectly, identify Franchisee or any business as a franchisee or former franchisee of, or otherwise associated with, SEF or use in any manner any Mark or trade dress of a Franchised Clinic or any colorable imitation thereof.

B. Limitations on Use of Marks. Franchisee must not use any Mark as part of any corporate or trade name in any modified form, or in any other manner not explicitly authorized in writing by us. Franchisee cannot use any Mark in any business or activity, other than the business conducted by Franchisee pursuant to individual Franchise Agreements.

C. Litigation. Franchisee must immediately notify SEF in writing of any apparent infringement of or challenge to Franchisee use of any Mark, or claim by any person of any rights in any Mark or similar trade name, trademark, or service mark of which Franchisee becomes aware. Franchisee must not communicate with any person other than SEF and its counsel regarding any infringement, challenge or claim. SEF may take any action it deems appropriate and SEF has the right to exclusively control any litigation or other proceeding arising out of any infringement, challenge or claim relating to any Mark.

9. MANAGEMENT OF BUSINESS

Franchisee (or if Franchisee is a legal entity, a Principal Owner) or an approved manager must exert full-time efforts to Franchisee obligations respecting this Agreement and must not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility or time commitments. Franchisee (or a Principal Owner), or an approved manager must supervise the development and operation of Franchised Clinics and must be engaged in the day-to-day operations of any Franchised Clinic. Franchisee (or a Principal Owner) or approved manager must attend any training programs SEF designates. Franchisee must operate Franchisee business respecting this Agreement in full compliance with all applicable laws, ordinances and regulations.

10. FRANCHISEE RECORDS AND REPORTS

Franchisee must furnish to SEF monthly written reports regarding your progress on the development of Franchised Clinics. In addition, Franchisee must keep accurate financial records and other records relating to the development and operation of Franchised Clinics in the Territory. SEF may at all reasonable hours examine and make photocopies of all such records or request that Franchisee deliver, at its expense, such records to SEF.

11. RELATIONSHIP OF THE PARTIES

SEF and Franchisee are each independent contractors and, as a consequence, neither party is the agent, legal representative, partner, subsidiary, joint venturer, employee, joint employer or servant of the other for any reason. Neither party will independently obligate the other to any third parties. Franchisee will not have the right to and will not make any agreements, representations or warranties in the name of or on behalf of SEF or represent that their relationship is other than that of Franchisor and Franchisee. Neither SEF nor Franchisee will be obligated by or have any liability to the other under any agreements or representations made by the other to any third parties.

Franchisee acknowledges and agrees that no past, present or future director, officer, employee, incorporator, member, partner, stockholder, subsidiary, affiliate, controlling party, entity under common control, ownership or management, vendor, service provider, agent, attorney or representative of ours will have any liability for (i) any of our obligations or liabilities relating to or arising from this Agreement, (ii) any claim against SEF based on, in respect of, or by reason of, the relationship between Franchisee and SEF, or (iii) any claim against SEF based on any alleged unlawful act or omission of SEF.

12. TERMINATION BY US

A. Your Defaults – Curable. Franchisee will be in default and SEF may terminate this Agreement, effective sixty (60) days following the date of our issuance of a written notice of default, if any of the following breaches occur and Franchisee fails to cure such breach by the expiration of the notice period:

1. Franchisee fails to meet your development requirements described in the Development Schedule;

2. Franchisee fails to comply with any other provision of this Agreement; or

3. Franchisee fails to comply with the provisions of any Franchise Agreement for the operation of a Franchised Clinic.

B. Franchisee Defaults – Non-curable. In addition to the rights of termination described in Section 12(A) above, SEF may terminate this Agreement without granting Franchisee any opportunity to cure the default, effective immediately upon written notice to Franchisee, if any of the following occur:

1. If Franchisee or any Principal Owner on three (3) separate occasions within any period of twelve (12) consecutive months to comply with any provision of this Agreement, whether or not the failure to comply is corrected after notice is delivered to Franchisee;

2. Franchisee or any Principal Owner make an unauthorized assignment or transfer of this Agreement or an ownership interest in Franchisee;

3. Franchisee or any Principal Owner makes any material misrepresentation or omission in your application for the development rights conferred by this Agreement;

4. Franchisee or any Principal Owner are convicted of, or plead guilty to or no contest to a felony, a crime involving moral turpitude, or any other crime or offense that SEF believes will injure the Marks or the goodwill associated therewith, or if SEF has proof that Franchisee has committed such a felony, crime or offense;

5. Franchisee or any Principal Owner makes any unauthorized use, disclosure or duplication of any portion of the Operations Manual (as defined in the first Franchise Agreement signed under this Agreement) or any other Confidential Information provided to Franchisee by SEF;

6. Franchisee becomes insolvent because Franchisee cannot pay your debts as they mature or make an assignment for the benefit of creditors or admit that Franchisee cannot pay your obligations as they become due;

7. Franchisee materially misuses or makes an unauthorized use of any Marks or commit any act which can reasonably be expected to materially impair or otherwise is prejudicial to the goodwill associated with any Marks;

8. Franchisee or any Principal Owner violates a provision of this Agreement which is not curable;

9. If an immediate threat or danger to public health or safety results from the construction, maintenance or operation of a Franchised Clinic; or

10. Franchisee terminates a Franchise Agreement without cause

C. Rights to Develop Franchised Clinics on Termination. Upon termination of this Agreement, Franchisee has no right to establish or operate any individual Franchised Clinic for which an individual Franchise Agreement has not been executed by SEF and delivered to Franchisee at the time of termination. SEF may establish, and license others to establish, Structural Elements® businesses in the Territory, except as may be otherwise provided under any other agreement which has been executed between Franchisee and SEF.

D. SEF's Right to End Territorial Protections without Terminating this Agreement. If SEF has grounds to terminate this Agreement either because Franchisee has defaulted under Section 12(B) above or Franchisee has failed to cure a default of this Agreement under Section 12(A) above within the cure period specified by SEF in a notice of default, then SEF may, at its sole option and upon notice to Franchisee, terminate the territorial protections afforded to Franchisee under Section 2(B)(ii) above without

terminating this Agreement as a whole. If SEF elects to terminate Franchisee's territorial protections without terminating this Agreement, SEF will no longer be restricted from establishing (directly or through an affiliate), or from granting franchise(s) to a third party to establish, one or more Structural Elements® businesses within the Territory. This Agreement will not terminate, however, and Franchisee will be obligated to continue developing Franchised Clinics under this Agreement. However, Franchisee's right and obligation to establish new Franchised Clinics under the Development Schedule will be reduced by the number of new Franchised Clinics that SEF establishes or grants franchises for within the Territory.

E. Effect of Other Laws. To the extent the provisions of this Section 12 respecting permissible grounds, cure rights or minimum periods of notice for termination of this franchise are inconsistent with applicable law, the applicable law will supersede such provision of this Agreement.

13. EFFECT OF TERMINATION AND EXPIRATION

All obligations of SEF and Franchisee under this Agreement which expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect after the expiration or termination of this Agreement and until they are satisfied in full or by their nature expire.

14. COVENANTS

A. In-Term Covenant Not to Compete. Franchisee and its Principal Owners will not, during the term of this Agreement, on their own account or as an employee, agent, consultant, partner, officer, director or owner of any other person, firm, entity, partnership, limited liability company or corporation, own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any Competitive Business, except with our prior written consent.

B. Post-Term Covenant Not to Compete. Franchisee and its Principal Owners will not, for a period of two (2) years after the termination or expiration of this Agreement, on their own account or as an employee, independent contractor, agent, consultant, partner, officer, director or owner of any other person, firm, entity, partnership, limited liability company or corporation: (A) divert or attempt to divert any business or customers of the Franchised Clinics developed by Franchisee, or of any other Structural Elements business to any Competitive Business; or (B) own, operate, lease, franchise, conduct, engage in, be connected with, have any interest in or assist any person or entity engaged in any Competitive Business, which is located (i) within a ten (10)-mile radius of any of the Franchised Clinics developed by Franchisee; and (ii) within a ten (10)-mile radius of any other Structural Elements businesses operated by SEF or any of our franchisees pursuant to any franchise, development, license or other territorial agreement. Franchisee and its Principal Owners expressly agree that the two (2)-year period and the geographical limits are the reasonable and necessary to protect SEF and its franchisees if this Agreement expires or is terminated for any reason, and that this covenant not to compete is necessary to permit SEF the opportunity to resell and/or develop a new Structural Elements business at or in the area surrounding the Territory.

C. Injunctive Relief. Franchisee and its Principal Owners agree that the provisions of this Article are necessary to protect the legitimate business interests of SEF and its franchisees. Franchisee and its Principal Owners acknowledge that damages alone cannot adequately compensate SEF if there is a violation of this Article by Franchisee and that injunctive relief against Franchisee is essential for the protection of SEF and its franchisees. Franchisee and its Principal Owners agree therefore, that if SEF alleges that Franchisee or its Principal Owners have breached or violated this Section, then SEF will have the right to petition a court of competent jurisdiction for injunctive relief against Franchisee or its Principal Owners, or both, in addition to all other remedies that may be available to SEF at law or in equity.

15. ASSIGNMENT

A. By Us. SEF has the right to sell or assign, in whole or in part, our interest in this Agreement, without obtaining Franchisee consent.

B. Franchisee Assignment Requiring Our Consent. Franchisee understands that SEF has granted the rights under this Agreement in reliance upon the individual or collective character, aptitude, attitude, business ability and financial capacity of your Principal Owners. Franchisee (and its Principal Owners) will not transfer (whether voluntary or involuntary), assign or otherwise dispose of, in one or more transactions, your business operated under this Agreement, substantially all or all of the assets your business, this Agreement or any interest in Franchisee unless Franchisee obtains our prior written consent. SEF will not unreasonably withhold our consent to an assignment of this Agreement, provided Franchisee comply with any or all of the following conditions which SEF may, in its discretion, deem necessary:

1. Franchisee is in good standing under this Agreement and any other agreement between Franchisee and SEF;

2. The transferee is approved by SEF and demonstrates to its satisfaction that he/she meets our managerial, financial and business standards for new franchised locations, possesses a good business reputation, moral character and credit rating, and has the aptitude and ability to develop and operate the Franchised Clinics. Franchisee understands that SEF may communicate directly with the transferee during the transfer process to respond to inquiries, as well as to ensure that the transferee meets our qualifications;

3. The transferee enters into a written agreement, in form satisfactory to SEF, assuming and agreeing to discharge all of Franchisee obligations and covenants under this Agreement for the remainder of its term, or, at SEF's option, sign SEF's then-current form of franchise agreement;

4. Franchisee pay SEF a transfer fee of Twenty-five percent (25%) of the then-current development fee if to an owner of an existing, operating Clinic or fifty percent (50%) of the then-current development fee if to a person who is new to Structural Elements; or

5. Franchisee and each Principal Owner sign a general release, in a form and substance satisfactory to us, of any and all claims against SEF and its affiliates, officers, directors, employees and agents, except to the extent limited or prohibited by applicable law;

6. Franchisee and each Principal Owner sign an agreement, in a form satisfactory to us, in which Franchisee and each Principal Owner covenant to observe the post-termination covenant not to compete and all other applicable post-termination obligations;

7. All Franchise Agreements signed in connection with this Agreement are transferred to the transferee and all transfer conditions outlined in each Franchise Agreement are satisfied.

C. Guaranty. All of Franchisee Principal Owners must sign the Personal Guaranty Agreement in the form attached to this Agreement as Exhibit C (the "Guaranty Agreement"). SEF may also require the spouse of any Principal Owner to sign the Guaranty Agreement. Any person or entity that at any time after the date of this Agreement becomes a Principal Owner of Franchisee under the provisions of this Section 15 or otherwise will, as a condition of becoming a Principal Owner, sign the Guaranty Agreement.

16. ARBITRATION

A. Arbitration. All disputes or claims relating to this Agreement or any other agreement entered into between SEF or its affiliates and Franchisee or Franchisee's affiliates, the rights and obligations of SEF or its affiliates and Franchisee or Franchisee's affiliates, or any other claims or causes of action relating to the making, interpretation, or performance of the parties under this Agreement or any other agreement, shall be resolved by binding arbitration at a location within twenty (20) miles of the city where SEF's headquarters are located as of the date the arbitration demand is filed before the AAA in accordance with the Federal Arbitration Act, the Commercial Arbitration Rules of the AAA, as amended, and for any appeal, the AAA Appellate Arbitration Rules or such successor rules then in effect, except that there shall be no consolidated, common, or class action arbitration and Franchisee and its Affiliates waive any and all rights to proceed on a consolidated, common, or class action basis, or to seek joinder of any of Franchisee's claims with those of any other party. The following shall supplement the rules of the AAA and, in the event of a conflict, shall govern any arbitration: If the claim is for less than $30,000, then the matter shall be heard before a single arbitrator selected from the AAA list of arbitrators. If the claim, or a counterclaim, is for $30,000 or more, the matter shall be heard before a panel of three (3) arbitrators and each party shall appoint its own arbitrator, and the appointed arbitrators shall appoint a third arbitrator who shall be the chair of the arbitration panel and must be a retired federal court or state court judge. The parties agree to be bound by the award, and each party must bear its own costs of arbitration including the fee for its respective arbitrator; provided, however, that the single or third arbitrator's fee shall be shared equally by the parties. The arbitration proceedings and arbitration award shall be maintained by the parties as strictly confidential, except as is otherwise required by law or court order or as is necessary to confirm, vacate or enforce the award and for disclosure in confidence to the parties' respective attorneys and tax advisors. The arbitrators shall have no authority to determine class action claims and shall have no authority to amend or modify the terms of this Agreement. No issue of fact or law determined in the arbitration shall be given preclusive or collateral estoppel effect in any other arbitration, except to the extent such issue arises in another proceeding between the parties. Judgment upon the award of the arbitrator shall be submitted for confirmation to the federal district court or the circuit court where SEF's headquarters are then-located and, if confirmed, may be subsequently entered in any court having competent jurisdiction. The parties shall not be required to arbitrate a dispute or claim as set forth in this Section 16(A) if such dispute or claim concerns an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks or in the System or (ii) any of the confidentiality requirements or any restrictive covenants contained in this Agreement. This agreement to arbitrate shall survive any termination or expiration of this Agreement. The parties hereto recognize, and any arbitrator is affirmatively advised, that certain provisions of this Agreement describe SEF's right to take (or refrain from taking) certain actions in the exercise of SEF's business judgment based on its assessment of the overall best interests of the System. Where such discretion has been exercised, and is supported by SEF's business judgment, no arbitrator may substitute his or her judgment for the judgment so exercised by SEF.

B. No Class Actions. No party except SEF, Franchisee, and our respective officers, directors, owners or partners, and the Principal Owners will have the right to join in any Arbitration proceeding arising under this Agreement, and, therefore, the arbitrator will not be authorized to permit or approve class actions or to permit any person or entity that is not a party to this Agreement to be involved in or to participate in any Arbitration hearings conducted pursuant to this Agreement. YOU HEREBY AGREE NOT TO SEEK JOINDER OF ANY OF YOUR CLAIMS WITH THOSE OF ANY OTHER PARTY.

C. Disputes Not Subject to Arbitration. The following disputes and controversies between SEF and Franchisee will not be subject to Arbitration: (i) any dispute involving the Marks or which arises under or as a result of Section 8 of this Agreement; (ii) any dispute involving immediate termination of this Agreement pursuant to Section 12(A) of this Agreement; (iii) any dispute involving enforcement of the

confidentiality provisions set forth in Section 7of this Agreement; and (iv) any dispute involving enforcement of the covenants not to compete set forth in Section 14 of this Agreement.

D. Waiver of Jury Trial**. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL, INCLUDING TRIAL BY JURY, WITH REGARD TO ANY DISPUTE ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE RELATIONSHIP ESTABLISHED HEREUNDER.**

E. Injunctive Relief. Franchisee recognizes that Franchisee is a member of a network of franchises and that Franchisee's acts and omissions may have a positive or negative effect on the success of other businesses operating under and in association with the Marks. Failure on the part of a single franchisee to comply with the terms of its franchise agreement is likely to cause irreparable damage to SEF and to some or all of the other franchisees of SEF. For these reasons, Franchisee agrees that if SEF can demonstrate to a court of competent jurisdiction that there is a substantial likelihood of Franchisee's breach or threatened breach of any of the terms of this Agreement, SEF will be entitled to an injunction restraining the breach or to a decree of specific performance, without showing or proving any actual damage, until a final determination is made by an arbitrator pursuant to Section 16 of this Agreement.

F. Waiver of Punitive Damages. **SEF AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOST FUTURE PROFITS OR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT, AND ANY CLAIM TO LIQUIDATED DAMAGES.**

G. Consent to Jurisdiction. Franchisee and SEF have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee or its affiliates and SEF or its affiliates, the venue for any judicial proceedings will be in the federal courts hearing cases in the state and county in which SEF then maintains its principal place of business, unless such courts do not have subject matter jurisdiction over such dispute, in which case the court to hear the dispute will be the state court of general jurisdiction located in the county in which SEF maintains its principal place of business. Each party waives any objection they may have to the personal jurisdiction of or venue in such federal or state court, as applicable.

H. Costs and Attorneys' Fees. If SEF or Franchisee prevails in any judicial proceeding to enforce any provision of this Agreement, such prevailing party will be entitled to reimbursement of its costs, including reasonable accounting and attorneys' fees, incurred in connection with such proceeding.

17. MISCELLANEOUS

A. Severability. All provisions of this Agreement are severable and this Agreement will be interpreted and enforced as if all completely invalid or unenforceable provisions were not contained herein and partially valid and enforceable provisions will be enforced to the extent valid and enforceable. If any applicable law or rule of any jurisdiction requires a greater prior notice of the termination of or refusal to renew this Agreement than is required hereunder or the taking of some other action not required hereunder, or if under any applicable and binding law of any jurisdiction, any provision of this Agreement or any specification, standard or operating procedure prescribed by SEF is invalid or unenforceable, the prior notice or other action required by such law or rule will be substituted for the notice requirements hereof, or such invalid or unenforceable provision, specification, standard or operating procedure will be modified to

the extent required to be valid and enforceable. Such modifications to this Agreement will be effective only in such jurisdiction and will be enforced as originally made and entered into in all other jurisdictions.

C. Waiver. Acceptance by SEF of any payment by Franchisee and SEF failure, refusal or neglect to exercise any right under this Agreement or to insist upon full compliance by Franchisee of its obligations hereunder including, without limitation, the mandatory Development Schedule, will not constitute a waiver by SEF of any provision of this Agreement. SEF will have the right to waive obligations or restrictions for other area developers under their agreements without waiving those obligations or restrictions for Franchisee and, except to the extent provided by law, SEF will have the right to negotiate terms and conditions, grant concessions and waive obligations for our other franchisees and area developers without granting those same rights to Franchisee and without incurring any liability to Franchisee whatsoever.

D. Venue And Jurisdiction. Unless otherwise required under applicable law, all Arbitration hearings, litigation, court hearings or other hearings initiated by either party against the other party must and will be venued exclusively in Washington County, Maryland. Franchisee, each of its officers, directors and owners, and the Principal Owners: (i) acknowledge that Washington County, Maryland is a mutually convenient location for the venue and conduct of any legal or enforcement proceedings; (ii) do hereby agree and submit to personal jurisdiction in the State of Maryland for the purposes of any Arbitration hearings, litigation, court hearings or other hearings brought to enforce or construe the terms of this Agreement or to resolve any dispute or controversy arising under, as a result of, or in connection with this Agreement or the Territory; and (iii) do hereby agree and stipulate that any Arbitration hearings, litigation, court hearings and other hearings will be venued and held exclusively in Washington County, Maryland, and waive any rights to contest such venue and jurisdiction and any claims that such venue and jurisdiction are invalid.

E. Agreement Binding On Heirs And Assigns. This Agreement is binding upon the parties hereto and their respective executors, administrators, heirs, assigns and successors in interest.

F. Joint And Several Liability. If Franchisee consists of more than one person, their liability under this Agreement will be deemed to be joint and several.

G. Entire Agreement. This Agreement, including the "Introduction" and any addenda, exhibits, related acknowledgements, and amendments, constitutes the entire agreement between the parties with respect to the subject matter and supersedes and terminates all prior agreements relating to the operation of a Structural Elements Business by Franchisee, either oral or in writing, between the parties. Any representations, warranties, inducements, promises, understandings or agreements between the parties, that are not in the Franchise Disclosure Document which Franchisee acknowledges receiving at least 14 days before signing this Agreement or paying any money, or in writing and signed by Franchisee and SEF, are void and not enforceable. Nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

H. Headings; Terms. The headings of the Articles and the provisions thereof are for convenience only and do not define, limit or construe the contents of such Articles. The term "Franchisee" as used herein is applicable to one or more individuals, a corporation, a limited liability company or a partnership, as the case may be, and the singular usage includes the plural, and the masculine usage includes the neuter and the feminine, and the neuter usage includes the masculine and the feminine. References to "Franchisee," "assignee" and "transferee" which are applicable to an individual or individuals will mean the principal owner or owners of the equity or operating control of Franchisee or any such assignee or transferee if Franchisee or such assignee or transferee is a corporation or partnership.

I. No Oral Modification. No modification, change, addition, rescission, release, amendment or waiver of this Agreement and no approval, consent or authorization required by any provision of this Agreement may be made except by a written agreement subscribed to by duly authorized officers or partners of Franchisee and the President or a Vice President of us. SEF and Franchisee will not have the right to amend or modify this Agreement orally or verbally, and any attempt to do so will be void in all respects.

J. Governing Law. This Agreement takes effect upon its acceptance and execution by SEF. Except for disputes between the parties over the Marks and Copyrighted Works (which shall be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 *et seq.*) and the U.S. Copyright Act of 1976 (17 U.S. Code § 101 *et seq.*), this Agreement shall be interpreted and construed exclusively under the laws of the state of Maryland, which laws shall prevail in the event of any conflict of law (without regard to, and without giving effect to, the application of Maryland choice-of-law rules); provided, however, that if the covenants in Section 12.d of this Agreement would not be enforceable under the laws of Maryland, and the Franchised Clinics are located outside of Maryland, then such covenants shall be interpreted and construed under the laws of the state in which the Franchised Clinics are located. Nothing is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or similar law, rule, or regulation of Maryland to which this Agreement would not otherwise be subject.

18. NOTICES All notices to SEF will be in writing and will be made by personal service upon an officer or Director of SEF or sent by prepaid registered or certified United States mail addressed to SEF at 13214 Fountainhead Plaza, Hagerstown, Maryland 21742 or such other address as SEF may designate in writing. All notices to Franchisee will be by personal service upon Franchisee or any employee of Franchisee, (or, if applicable, an officer or director of Franchisee), sent by prepaid registered or certified United States mail addressed to Franchisee at your business address or such other address as Franchisee may designate in writing, by delivery to any employee of Franchisee by a recognized overnight delivery service (such as Federal Express or UPS) which requires a written receipt of delivery from the addressee, or electronically to your email address provided to us. Notice by mail is effective upon depositing the same in the mail in the manner provided above, notice by personal service is effective upon obtaining service, notice by overnight delivery service is effective upon delivery by such delivery service, and notice sent electronically is effective upon sending.

19. ACKNOWLEDGMENTS

A. Our Business Judgment. Franchisee acknowledges and understands that whenever SEF reserves or is deemed to have reserved rights in a particular area, or where SEF agrees or is deemed to be required to exercise our rights reasonably or in good faith, SEF will satisfy its obligations whenever it exercises reasonable business judgment in making our decision or exercising a right. A decision or action by SEF will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if SEF'S decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of SEF'S. Neither Franchisee nor any third party (including, without limitation, a trier of fact) may substitute its judgment for SEF'S reasonable business judgment.

B. Business Risks; No Financial Projections. Franchisee acknowledges that Franchisee has conducted an independent investigation of the Structural Elements businesses to be developed hereunder, and recognize that the business venture contemplated by this Agreement involves business and economic risks and that the financial and business success of your Franchised Clinics will be primarily dependent upon your and your employees' and its independent contractors' personal efforts. SEF expressly disclaims the making of, and Franchisee acknowledges that Franchisee has not received, any estimates, projections, warranties or guaranties, express or implied, regarding potential revenues, profits, earnings or the financial

success of your Franchised Clinics, except as expressly set forth in writing in our Franchise Disclosure Document, receipt of which is acknowledged by Franchisee.

C. No Income Or Refund Warranties. Franchisee acknowledges that SEF does not warrant or guarantee to Franchisee that Franchisee will derive income or profit from its development of Franchised Clinics or that SEF will refund all or part of the Development Fees paid by Franchisee.

D. Terms Of Other Agreements May Differ. Franchisee acknowledges that our other area developers or franchisees have or will be granted franchises and development rights at different times and in different situations, and that the terms and conditions of such agreements may vary substantially in economics, form and in substance from those contained in this Agreement.

E. Receipt of Franchise Disclosure Document. Franchisee acknowledges that Franchisee received a copy of this Agreement with all material blanks fully completed (except as a result of negotiations Franchisee initiated) at least seven (7) calendar days prior to the date that this Agreement was executed. Franchisee further acknowledges that Franchisee received a Structural Elements Franchise Disclosure Document at least fourteen (14) calendar days prior to the date on which this Agreement was executed.

20. INDEMNIFICATION

A. Your Indemnification Obligations. Franchisee agrees to indemnify and hold SEF and its subsidiaries, affiliates, stockholders, members, directors, officers, employees and agents harmless against, and to reimburse SEF or them for, any loss, liability or damages arising out of or relating to your ownership or development or operation of the Franchised Clinics, and all reasonable costs of defending any claim brought against SEF or any of them or any action in which SEF or any of them is named as a party (including reasonable attorneys' fees) unless the loss, liability, damage or cost is solely due to our breach of this Agreement, gross negligence or willful misconduct. Franchisee must pay all losses, liability or damages SEF incurs pursuant to your obligations of indemnity under this Section 20(A) regardless of any settlement, actions or defense SEF undertakes or the subsequent success or failure of any settlement, actions or defense.

B. Our Indemnification Obligations. SEF agrees to indemnify and hold Franchisee and its officers, directors and agents harmless against, and to reimburse Franchisee and them for, any loss, liability or damage solely arising from or relating to our breach of this Agreement, gross negligence or willful misconduct, and all reasonable costs of defending any claim brought against Franchisee or them or any action in which Franchisee or they are named as a party (including reasonable attorneys' fees).

C. Survival. The indemnities and assumptions of liabilities and obligations continue in full force and effect after the expiration or termination of this Agreement.

The parties have signed this Agreement on the date stated in the first paragraph.

FRANCHISOR:

Structural Elements Franchising, LLC

By_____
Name_____
Its_____

FRANCHISEE:

_____
Name of corporation or limited liability company

By_____
Name_____
Its_____

EXHIBIT A
TO AREA DEVELOPMENT AGREEMENT

TERRITORY

This Exhibit is attached to and is an integral part of the Structural Elements Franchising, LLC Area Development Agreement dated _____, 20____, between SEF and Franchisee.

Your development rights and obligations to timely develop and open Franchised Clinics will be within the following described area:

_____
_____
_____
[or see attached map]

APPROVED:

FRANCHISOR:	FRANCHISEE:
Structural Elements Franchising, LLC	_____ Name of corporation or limited liability company
By_____ Name_____ Its_____	By_____ Name_____ Its_____

EXHIBIT B
TO AREA DEVELOPMENT AGREEMENT

DEVELOPMENT SCHEDULE

This Exhibit is attached to and is an integral part of the Structural Elements Franchising, LLC Area Development Agreement dated _____, 20____, between SEF and Franchisee.

1. Development Fee. The Development Fee is equal to $_____.

2. Development Schedule.

Franchisee agrees to execute Unit Franchise Agreements according to the following development schedule and to timely open Franchised Clinics in compliance with your Franchise Agreements.

RETAIL LOCATION #	DATE UNIT FRANCHISE AGREEMENT MUST BE SIGNED	CUMULATIVE NUMBER OF RETAIL LOCATIONS TO BE OPENED
1	***[date of this ADA]***	
2		
3		
4		
5		

APPROVED:

FRANCHISOR:

Structural Elements Franchising, LLC

By_____
Name_____
Its_____

FRANCHISEE:

_____
Name of corporation or limited liability company

By_____
Name_____
Its_____

EXHIBIT C
TO AREA DEVELOPMENT AGREEMENT

PERSONAL GUARANTY AGREEMENT

In consideration of the execution of the Area Development Agreement by Structural Elements Franchising, LLC, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in the Area Development Agreement, to be paid, kept and performed by _____ ("Area Developer"), including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in the Area Development Agreement and agree that this Personal Guaranty Agreement should be construed as though the undersigned and each of them executed an Area Development Agreement containing the identical terms and conditions of this Area Development Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against Franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the Area Developer or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by the Area Developer's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Area Development Agreement, or the amendment or extension of the Area Development Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Personal Guaranty Agreement will inure to the benefit of our successors and assigns.

AREA DEVELOPER: _____

PERSONAL GUARANTORS

_____	_____
Individually	Individually
_____	_____
Print Name	Print Name
_____	_____
Address	Address
_____	_____
City State Zip Code	City State Zip Code
_____	_____
Telephone	Telephone

EXHIBIT D
TO AREA DEVELOPMENT AGREEMENT

Structural Elements® UNIT FRANCHISE AGREEMENT

(Current Form)

EXHIBIT E
TO AREA DEVELOPMENT AGREEMENT

STATE ADDENDA

VIRGINIA ADDENDUM TO DEVELOPMENT AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Development Agreement, to the extent that the Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

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

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Development Agreement.

3. Except as expressly modified by this Addendum, the Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Development Agreement. In the event of any conflict between this Addendum and the Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
Structural Elements Franchising, LLC	_____
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:
California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
Maryland	Pending
Virginia	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Structural Elements Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If you are a resident of Michigan or New York, you must be provided with this disclosure document the earliest of the first meeting to discuss our franchise, 10 business days before signing a binding agreement or 10 business days before any payment to us.

If Structural Elements Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the State Administrator listed in Exhibit A.

See Exhibit A for our Agents authorized to receive service of process.

Issuance date: February 18, 2026

I have received a disclosure document dated February 18, 2026 that included the following Exhibits:

A. LIST OF STATE ADMINISTRATORS/LIST OF AGENTS FOR SERVICE OF PROCESS
B. FRANCHISEE LIST
C. FRANCHISE AGREEMENT
D. FORM OF GENERAL RELEASE
E. TABLE OF CONTENTS TO OPERATIONS MANUAL
F. FINANCIAL STATEMENTS
G. FRANCHISEE COMPLIANCE CERTIFICATION
H. STATE-SPECIFIC ADDENDA
I. AREA DEVELOPMENT AGREEMENT
J. STATE EFFECTIVE DATES

The franchise seller is:

□ Douglas Bertram, 13214 Fountainhead Plaza Hagerstown, Maryland 21742, (301) 766-9293
□ Susan King Glosby, 8001 Forbes Place, #211, Springfield, Virginia 22151, (571) 212-2299

In addition, _____
(Name, address and telephone number of broker or referral source)
introduced me to Structural Elements Franchising, LLC.

Date of Receipt: _____

Prospective Franchisee
_____, individually
and as an officer or partner of _____

a [_____
corporation/partnership]

Keep this Copy for your Records

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Structural Elements Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

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See Exhibit A for our Agents authorized to receive service of process.

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In addition, _____
(Name, address and telephone number of broker or referral source)
introduced me to Structural Elements Franchising, LLC.

Date of Receipt: _____

Prospective Franchisee
_____, individually
and as an officer or partner of
_____
a [_____
corporation/partnership]

Please sign this copy of the receipt, date your signature and return it to Structural Elements Franchising, LLC, 13214 Fountainhead Plaza, Hagerstown, Maryland 21742