

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (date of earliest event reported): December 31, 2014

THE JOINT CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other juris-
diction of incorporation)

001-36724
(Commission file
number)

90-0544160
(IRS employer
identification number)

16767 N. Perimeter Drive, Suite 240
Scottsdale, AZ 85260
(Address of principal executive offices)

Registrant's telephone number, including area code:
(480) 245-5960

Check the appropriate box below if the Form 8-K is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.01 Completion of Acquisition or Disposition of Assets

On December 31, 2014, the Company completed its repurchase of six franchises in Los Angeles County, California (the “December 31 Transaction”), and in a related transaction, on January 1, 2015, the Company completed its reacquisition and termination of the regional developer rights for the Los Angeles County, California region (the “January 1 Transaction”). The repurchase of six franchises was from an entity affiliated with the Los Angeles regional developer.

The December 31, 2014 Transaction was accomplished pursuant to an Asset and Franchise Purchase Agreement (the “Purchase Agreement”) between the Company and The Joint RRC Corp. (“Seller”), Raymond G. Espinoza, Chad Meisinger, and Rob Morris (together, the “Shareholders”). Seller was a franchisee under franchise agreements with the Company. The transaction involved the repurchase of four operating franchises and two undeveloped franchises from the Seller. The Company intends to operate the four operating franchises as Company-owned clinics and to relocate the two undeveloped franchises.

The January 1, 2015 Transaction was accomplished pursuant to a Termination Agreement (the “Termination Agreement”) between the Company, Kairos Marketing, LLC (“Kairos”), and Chad Meisinger, the sole member of Kairos. The Company, Kairos and Mr. Meisinger were parties to a regional developer agreement relating to Company franchises in the Los Angeles County region. The transaction involved the repurchase of development rights for these Company franchises. The Company does not intend to resell these rights, but rather to terminate this regional developer license as a prelude to developing Company-owned clinics in this region.

The total consideration for the December 31, 2014 Transaction and the January 1, 2015 Transaction (collectively, the “Transactions”) was \$1,407,500, which was funded from the proceeds of the Company’s recent initial public offering (IPO).

The foregoing descriptions of the Transactions do not purport to be complete and are qualified in their entirety by reference to the full texts of the Purchase Agreement and the Termination Agreement, copies of which are filed as Exhibits 2.1 and 2.2, respectively, to this Current Report on Form 8-K and incorporated herein by reference.

On January 7, 2015, the Company issued a press release announcing the Transactions. The press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits

(a) Financial Statements of Businesses Acquired

The financial information required by this item, if any, with respect to the Transactions will be filed as soon as practicable and in any event within the timeframe required by Form 8-K.

(b) Pro Forma Financial Information

The pro forma financial information required by this item, if any, with respect to the Transactions will be filed as soon as practicable and in any event within the timeframe required by Form 8-K.

(d) Exhibits

Exhibit Number	Description
2.1	Asset and Franchise Purchase Agreement dated as of December 31, 2014 between The Joint Corp., The Joint RRC Corp., Raymond G. Espinoza, Chad Meisinger and Rob Morris
2.2	Termination Agreement dated as of December 31, 2014 by The Joint Corp., Kairos Marketing, LLC and Chad Meisinger
99.1	Press Release dated January 7, 2015

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: January 7, 2015.

The Joint Corp.

By /s/John B. Richards
John B. Richards
Chief Executive Officer

EXHIBIT INDEX

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99.1	Press Release dated January 7, 2015

ASSET AND FRANCHISE PURCHASE AGREEMENT

THIS ASSET AND FRANCHISE PURCHASE AGREEMENT ("Agreement") is made and entered into as of December 31, 2014, between The Joint Corp., a Delaware corporation ("TJC"), The Joint RRC Corp., a California corporation ("Seller"), Raymond G. Espinoza ("Espinoza" or a "Shareholder"), Chad Meisinger ("Meisinger" or a "Shareholder") and Rob Morris ("Morris" or a "Shareholder," and together with Espinoza and Meisinger, the "Shareholders").

Background:

A. Seller is a franchisee under franchise agreements with TJC for six Joint franchises (Numbers 31005 (Encino Courtyard), 31029 (Pacific Coast Highway), 31030 (Lakewood), 31032 (Woodland Hills), 31033 (Porter Ranch), and 31034 (Carson Boulevard) (the "Subject Franchises"). The parties intend that Subject Franchise numbers 31029, 31030, 31032, and 31033 (the "Continuing Franchises") will remain open after the consummation of the transactions contemplated herein, and that Subject Franchise numbers 31005 and 31034 (the "Terminating Franchises") will close immediately upon the consummation of the transactions contemplated hereunder or will have already closed prior to the consummation of the transactions contemplated hereunder.

B. Seller will sell to TJC and TJC will purchase from Seller all of Seller's interest in the Subject Franchises.

C. The Shareholders together own all of the issued and outstanding stock of the Seller;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and undertakings herein contained and other valuable consideration, the adequacy of which is acknowledged by all parties, the parties hereby agree as follows:

1. Purchase and Sale

(a) At the Closing (as hereinafter defined) of the transactions contemplated hereby, Seller shall sell, assign, transfer and deliver to TJC, and TJC shall purchase and accept from Seller, the Assets, free and clear of any liens, claims (including, without limitation, title claims and claims of taxing authorities), encumbrances pledges, security interests or charges of any kind whatsoever, for the purchase price set forth in Section 2 hereof.

(b) For purposes of this Agreement, "Assets" shall mean:

(i) the franchise agreements between Seller and TJC for the Subject Franchises, copies of which are attached hereto as **Exhibits 1 – 6** and made a part hereof,

(ii) all equipment, machinery, tools, maintenance supplies, office equipment, leasehold improvements, furniture, fixtures, inventories and supplies and other similar items of tangible personal property (together the "Personal Property") used by Seller in the Subject Franchises which is more particularly listed and described in **Schedules 1(b)(ii)** attached hereto and made a part hereof;

(iii) all of Seller's interest in any membership agreements, prepaid services packages and other agreements or arrangements Seller has made with patients of the Subject Franchises, together with any deposits or prepayments made by any patients covered by such agreements or arrangements to the extent related to services to be performed after Closing;

(iv) the trademarks, trade names, copyrights and all other intellectual property rights of Seller associated with the Subject Franchises and all of Seller's goodwill attributable to the Subject Franchises;

(v) copies of all medical records with respect to patients of the Subject Franchises and all documents and records in the possession of Seller pertaining to patients and employees of the Subject Franchises;

(vi) all rights of Seller in and under any and all management services agreements pertaining to the Continuing Franchises, copies of which are attached hereto as **Exhibits 7 through 10**;

(vii) to the extent transferable, all licenses, government approvals and permits and all other approvals and permits relating to the Continuing Franchises;

(viii) all of Seller's interest as tenant (including leasehold improvements) under its leases for the premises occupied by the Continuing Franchises, copies of which are attached hereto as **Exhibits 11 through 14**; and

(ix) the agreements and contracts which TJC has expressly agreed to assume and which are listed on **Schedule 1(b)** (together, the "Assumed Contracts");

2. Excluded Assets

Notwithstanding anything to the contrary contained in this Agreement, it is expressly acknowledged by TJC that Seller will not be conveying to TJC Seller's interest as a tenant under its leases for the premises occupied by the Terminating Franchises (the "Terminating Franchise Leases"), copies of which are attached hereto as **Exhibits 15 and 16**, Management Service Agreements for the Terminating Franchises (the "Terminating Franchise MSAs"), copies of which are attached hereto as **Exhibits 17 and 18**, any cash, cash equivalents, working capital, or accounts receivable (other than accounts receivable under membership agreements or other arrangements described in Section 1(b)(iii) above, relating to periods after Closing), and any other assets, properties or rights of Seller owned or used by Seller but not used in or directly related to the Subject Franchises (collectively, the "Excluded Assets").

3. No Assumption of Liabilities

Except as expressly provided in this Agreement, TJC shall not assume any debts, liabilities or obligations of Seller or its affiliates, officers, employees or agents of any nature, whether known or unknown, fixed or contingent, including, but not limited to, debts, liabilities or obligations with regard or in any way relating to any contracts (including, without limitation, any employee agreements), leases for real or personal property, trade payables, tax liabilities, disclosure obligations, product liabilities, liabilities to any regulatory authorities, liabilities relating to any claims, litigation or judgments, any pension, profit-sharing or other retirement plans, any medical, dental, hospitalization, life, disability or other benefit plans, any stock ownership, stock purchase, deferred compensation, performance share, bonus or other incentive plans, or any other similar plans, agreements, arrangements or understandings which Seller, or any of its affiliates, maintain, sponsor or are required to make contributions to, in which any employee of Seller participates or under which any such employee is entitled, by reason of such employment, to any benefits (collectively the "Excluded Liabilities"). For the avoidance of doubt, any liability under any lease for real property for a Subject Franchise, whether or not assumed by TJC, which relate to the period before Closing, shall be an Excluded Liability.

4. Payment of Purchase Price

- (a) The purchase price to be paid by TJC for the Assets (the "Purchase Price") is \$ 900,000.00, subject to adjustment as set forth in Section 4(d);
- (b) TJC will pay to Seller the amount \$ 810,000.00 in cash at Closing;
- (c) At Closing, TJC shall deposit the amount \$ 90,000.00 in escrow for the purpose of securing Seller's and the Shareholders' representations, warranties and obligations as set forth in this Agreement; and
- (d) At Closing, the Purchase Price shall be adjusted by appropriate pro-rations for state and local real estate taxes and transfer taxes, sales tax, service and utility contracts, security deposits, payroll and employee related payments in respect of periods prior to Closing;

5. Closing

Subject to the satisfaction or waiver of the conditions described in Sections 9 and 10 the closing of the transactions described herein shall take place no later than December 31, 2014, at such time as the parties agree, and shall occur at the offices of TJC. The date on which the Closing takes place is referred to in this Agreement as the "Closing Date." At the Closing, Seller shall deliver such bills of sale, assignments and other documents and instruments as may reasonably be requested by TJC to carry out the transfer and assignment to TJC of the Assets. Additionally, the parties hereto and an escrow agent reasonably acceptable to the parties shall enter into an Escrow Agreement in substantially the form set forth in Exhibit A hereto. Following the Closing, the parties shall cooperate fully with each other and shall make available to the other, as reasonably requested and at the expense of the requesting party, and to any taxing or regulatory authority, all information, records or documents relating to tax obligations and regulatory compliance matters of Seller for all periods on or prior to the Closing, and shall preserve all such information, records and documents until the expiration of any applicable statute of limitations and extensions thereof.

6. Representations and Warranties of Seller and the Shareholders

Seller and each Shareholder hereby jointly and severally represent and warrant to TJC as follows:

- (a) Organization. Seller is a corporation duly organized and validly subsisting under the laws of the State of California, and Seller has full power and authority to conduct its business as it is now being conducted, and to execute, deliver and perform this Agreement.

(b) Authority. No Seller is a party to, subject to, or bound by any agreement, judgment, order, writ, injunction, or decree of any court or governmental body that prevents or impairs the carrying out of this Agreement. The execution, delivery and performance of this Agreement and all other documents, instruments and agreements contemplated hereby have been duly authorized by all required corporate or limited partnership action of the Seller. All other actions (including all action required by state law and by the organizational documents of each Seller) necessary to authorize the execution, delivery and performance by Seller of this Agreement, the bills of sale transferring the Assets, the assignments in connection herewith and the other documents, instruments and agreements necessary or appropriate to carry out the transactions herein contemplated, have been taken by Seller. Upon the execution of this Agreement and the other documents and instruments contemplated hereby by Seller and the Shareholders, this Agreement and such other documents and instruments will be the valid and legally binding obligations of Seller and the Shareholders, enforceable against each of them in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) No Consent or Approval Required. Except as set forth on **Schedule 6(c)**, no authorization, consent, approval or other order of, declaration to or filing with any governmental body or authority is required for the consummation by Seller of the transactions contemplated by this Agreement.

(d) Taxes. Seller has filed when due in accordance with all applicable laws (or properly and timely filed an extension therefor) all tax returns required under applicable statutes, rules or regulations to be filed by it. As of the time of filing, such returns were accurate and complete in all material respects. All taxes due with respect to Seller and the Assets, and all additional assessments received, have been paid. Seller is not delinquent in the payment of any such tax and has not requested any extension of time within which to file any tax return, which return has not since been filed. There are no federal, state, local or other tax liens outstanding on any of the Assets being sold hereunder.

(e) Title to and Condition of Assets. Seller has good and marketable title to (or, with respect to any Assets that are leased, a valid leasehold interest in) all of the Assets to be acquired by TJC at the Closing, free from any liens, adverse claims, security interest, rights of other parties or like encumbrances of any nature. The Assets consisting of physical property are in good condition and working order, normal wear and tear excepted, and function properly for their intended uses.

(f) Compliance with Laws. Neither the Seller nor the Subject Franchises is in violation of, nor are they or either of them subject to any liability in respect of, any federal, state, county, township, city or municipal laws, codes, regulations or ordinances (including without limitation those relating to environmental protection, health, hazardous or toxic substances, fire or safety hazards, occupational safety, labor laws, employment discrimination, subdivision, building or zoning) with respect to the conduct of the Subject Franchises, nor has Seller received any notices of investigation or violation pertaining to any such matters. Seller has, and all professional employees or agents of Seller have, all licenses, franchises, permits, authorizations or approvals from all governmental or regulatory authorities required for the conduct of the Subject Franchises and neither Seller nor the professional employees or agents of Seller have violated any such license, franchise, permit, authorization or approval or any terms or conditions thereof.

(g) Litigation. There is no action, suit or proceeding pending, threatened against or affecting the Assets, or relating to or arising out of, the ownership or operation of the Assets, including claims by employees of the Subject Franchises.

(h) Employees. **Schedule 6(h)** attached hereto contains a complete and correct list of the name, position, current rate of compensation and any vacation or holiday pay and any other compensation arrangements or fringe benefits, of each current employee of a Seller who is directly employed in the Subject Franchises.

(i) Contracts. Seller has made available to TJC copies of any and all material contracts, leases, agreements, software licensing agreements, or commitments with respect to the Assets or the Subject Franchises.

(j) Financial Statements. Seller has made available to TJC the financial statements for the Subject Franchises as of and for the 12 months ended December 31, 2013 and as of and for the 9 months ended September 30, 2014 and Seller will make available to TJC the financial statements for the Subject Franchises for the period between September 30, 2014 and the last full month before Closing (collectively, the "Financial Statements"). The Financial Statements fairly present and will fairly present the financial position and results of operations of the Subject Franchises as of and for the periods presented, consistent with past practice, which the parties acknowledge do not necessarily conform to U.S. generally accepted accounting principles.

(k) Terminating Franchises Personal Property. In respect of the Personal Property located at the site of each Terminating Franchise, during the 45-day period following Closing, Seller will use commercially reasonable efforts to provide access thereto to TJC for removal by TJC of such items thereof as TJC may want.

7. TJC's Representations and Warranties

TJC represents and warrants to Seller and the Shareholders as follows:

(a) Organization of TJC. TJC is a corporation duly organized and validly subsisting under the laws of the state of Delaware, and TJC has full power and authority to conduct its business as it is now being conducted, and to execute, deliver and perform this Agreement.

(b) Authorization. TJC is not a party to, subject to or bound by any agreement, judgment, order, writ, injunction, or decree of any court or governmental body that prevents or impairs the carrying out of this Agreement. The execution, delivery and performance of this Agreement and all other documents, instruments and agreements contemplated hereby have been duly authorized by TJC's Board of Directors. All other actions (including all action required by state law and by the organizational documents of TJC) necessary to authorize the execution, delivery and performance by TJC of this Agreement, the Note, the bill of sale transferring the Assets, the assignments in connection herewith and the other documents, instruments and agreements necessary or appropriate to carry out the transactions herein contemplated, have been taken by TJC. Upon the execution of this Agreement and the other documents and instruments contemplated hereby by TJC, this Agreement and such other documents and instruments will be the valid and legally binding obligations of TJC, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(c) No Consent or Approval Required. No authorization, consent, approval or other order of, declaration to or filing with any governmental body or authority, including, without limitation, with respect to environmental matters, is required for the consummation by TJC of the transactions contemplated by this Agreement.

(d) No Violation of Other Agreements. Neither the execution and delivery of this Agreement nor compliance with the terms and conditions of this Agreement by TJC will breach or conflict with any of the terms, conditions or provisions of any agreement or instrument to which TJC is or may be bound or constitute a default thereunder or result in a termination of any such agreement or instrument.

(e) Financial Capability. TJC (i) is not insolvent, (ii) will have at Closing, sufficient internal funds available to pay the Purchase Price and any fees or expenses incurred by TJC in connection with the transactions contemplated hereby, and (iii) the payment of the Purchase Price and the transactions contemplated by this Agreement will not cause TJC to become insolvent.

(f) Litigation. There is no action, suit or proceeding pending or threatened, against TJC which would prevent TJC from effecting the transactions contemplated by this Agreement.

8. Pre-Closing Events

(a) General. Pending Closing, the Parties shall use commercially reasonable efforts to take all actions that may be necessary to close the Transaction in accordance with the terms of this Agreement (but TJC shall not be required to waive any of the TJC Closing Conditions, and Seller and the Shareholders shall not be required to waive any of the Seller Closing Conditions).

(b) Conduct of Business. Pending Closing, Seller and the Shareholders shall:

(i) conduct the business of the Continuing Franchises in the ordinary course and use commercially reasonable efforts to maintain and grow the business of the Continuing Franchises and to preserve their goodwill and advantageous relationships with patients, employees, suppliers and other persons having business dealings with the Subject Franchises; and

(ii) not take any affirmative action that results in the occurrence of an event of default under any contract or agreement to which Seller is a party and take any reasonable action within Seller's control that would avoid the occurrence of such default.

(c) Access to Information. Pending Closing, Seller and the Shareholders shall:

(i) cause Seller to afford TJC and its representatives (including its lawyers, accountants, consultants and the like) reasonable access during normal business hours, but without unreasonable interference with operations, to the Seller's books and records and other documents relating to the Subject Franchises;

(ii) respond to reasonable inquires by TJC and its representatives regarding Seller;

(iii) cause Seller to furnish TJC and its representatives with all information and copies of all documents concerning Seller that TJC and its representatives reasonably request; and

(iv) otherwise cooperate with TJC in its due diligence activities.

(d) Notice of Developments. Pending Closing, Seller and the Shareholders shall promptly give Notice to TJC of:

(i) any fact or circumstance of which Seller or a Shareholder becomes aware that causes or constitutes a material inaccuracy in or material breach of any of Seller's or a Shareholders' representations and warranties in Article 6 as of the date of this Agreement;

(ii) any fact or circumstance of which Seller or a Shareholders becomes aware that would cause or constitute a material inaccuracy in or material breach of any of Seller's or the Shareholders' representations and warranties in Article 6 if those representations and warranties were made on and as of the date of occurrence or discovery of the fact or circumstance; or

(iii) the occurrence of any event of which Seller or a Shareholder becomes aware that reasonably could be expected to make satisfaction of any Seller Closing Condition impossible or unlikely.

(e) Supplements to Schedules. Pending Closing, Seller may supplement or correct the Schedules to this Agreement as necessary to insure their completeness and accuracy. No supplement or correction to any Schedule or Schedules to this Agreement shall be effective, however, to cure any breach or inaccuracy in any of the representations and warranties; but if TJC does not exercise its right to terminate this Agreement under Section 12 and closes the transaction, the supplement or correction shall constitute an amendment of the Schedule or Schedules to which it relates for all purposes of this Agreement.

9. TJC Closing Conditions

Except as provided herein, TJC's obligation to close the transaction is subject to the satisfaction of each of the following conditions (the "TJC Closing Conditions") at or prior to Closing:

(a) Seller's and the Shareholders' representations and warranties in Section 6, as qualified or limited by any exceptions in the Schedules to Section 6, are true and correct on the Closing Date as if made at and as of Closing (other than representations and warranties that address matters as of a certain date, which were true and correct as of that date);

(b) Seller and the Shareholders have executed and delivered all of the documents and instruments that they are required to execute and deliver or enter into prior to or at Closing, and have performed, complied with or satisfied in all material respects all of the other obligations, agreements and conditions under this Agreement that they are required to perform, comply with or satisfy at or prior to Closing;

(c) no material adverse change in the Seller's assets, financial condition, operations, operating results or prospects has occurred since the date of this Agreement;

(d) no suit has been initiated or threatened by a third party since the date of this Agreement that challenges or seeks damages or other relief in connection with the transaction or that could have the effect of preventing, delaying, making illegal or otherwise interfering with the transaction;

(e) Seller has obtained an estoppel letter from the counterparty to each of the Management Agreements attached as **Exhibits 7 through 10**, relating to the Continuing Franchises, in a form reasonably acceptable to TJC; and

(f) Seller has obtained a consent to the assignment of, and estoppel letter under, each lease attached hereto as **Exhibits 11 through 14**, relating to the premises of the Continuing Franchises, in a form reasonably acceptable to TJC; provided, however, that the condition set forth in this Section 9(f) may be met by Seller's providing of the consents to assignment and estoppel letters described herein within 45 days after Closing.

TJC may waive any condition specified in this Section 9 by a written waiver delivered to Seller or a Shareholder at any time prior to or at Closing.

10. Seller's Closing Conditions

Seller's obligation to close the transaction is subject to the satisfaction of each of the following conditions (the "Seller Closing Conditions") at or prior to Closing:

(a) TJC's representations and warranties in Section 7 were true and correct as of the date of this Agreement and are true and correct on the Closing Date as if made at and as of Closing;

(b) TJC has executed and delivered all of the documents and instruments that it is required to execute and deliver or enter into prior to or at Closing, and has performed, complied with or satisfied in all material respects all of the other obligations, agreements and conditions under this Agreement that it is required to perform, comply with or satisfy prior to or at Closing; and

(c) no suit has been initiated or threatened by a third party since the date of this Agreement that challenges or seeks damages or other relief in connection with the transaction or that could seek to prevent the transaction.

Seller may waive any condition specified in this Section 10 by a written waiver delivered to TJC at any time prior to or at Closing.

11. Non-Competition; Non-Solicitation; Confidentiality

(a) Definitions. Wherever used in this Section 11, the term “TJC” shall refer to TJC and any affiliate, subsidiary, or any successor or assign of TJC. Wherever used in this Section, the phrase “directly or indirectly” includes, but is not limited to, acting, either personally or as principal, owner, shareholder, employee, independent contractor, agent, manager, partner, joint venturer, consultant, or in any other capacity or by means of any corporate or other device, or acting through the spouse, children, parents, brothers, sisters, or any other relatives, friends, invitees, agents, or associates of any of the undersigned parties. Wherever used in this Section, the term “employees” shall refer to employees of TJC; any affiliate, subsidiary, or any successor or assign of TJC; and any franchisee of TJC existing as of the date of this Agreement and, to the extent allowable by law, any other person that has been an employee (as defined above) in the twelve (12) months preceding the date of this Agreement. Whenever used in this Section, the term “Confidential Information” shall be defined as provided in Section 9 of Seller’s franchise agreements with TJC, which provisions are hereby incorporated by reference.

(b) Consideration. The undersigned parties acknowledge that consideration for this Agreement has been provided and is adequate.

(c) Need for this Agreement. The undersigned parties recognize that in the highly competitive business in which TJC and its affiliates and franchisees are engaged, preservation of Confidential Information is crucial and personal contact is important in securing new franchisees and employees, and retaining the goodwill of present franchisees, employees, customers, and suppliers. Personal contact is a valuable asset and is an integral part of protecting the business of TJC. Seller and the Shareholders recognize that each of them has had substantial contact with TJC’s employees, customers, consultants, vendors and suppliers and Confidential Information. For that reason, Seller and the Shareholders may be in a position to take for his, her or its benefit the goodwill TJC has with its employees and customers (patients) and Confidential Information now or in the future. If Seller or a Shareholder at any time after Closing takes advantage of such Confidential Information or goodwill for their own benefit, then the competitive advantage that TJC has created through its efforts and investment will be irreparably harmed.

(d) Non-Competition with TJC. Seller and each Shareholder agree that, for thirty six (36) months following the date of Closing, neither Seller nor any Shareholder, will have any direct or indirect interest (e.g., through a spouse) as a disclosed or beneficial owner, investor, partner, director, officer, employee, consultant, representative or agent, or in any other capacity, in any Competitive Business located or operating within twenty-five (25) miles of any Joint clinic. The term “Competitive Business” means any business which derives more than Ten Thousand Dollars (\$10,000.00) of revenue per year from the performance of chiropractic or related services or the management of any such business, and any business related to the relief of back pain or any business which grants franchises or licenses to others to operate such a business, with the sole exception of (i) a regional developer license granted by TJC or (ii) a franchise operated under a franchise agreement with TJC. Notwithstanding the foregoing, Seller and the Shareholders may provide marketing services to any person, corporation, limited liability company, partnership or other entity whose principal business is not the provision of chiropractic services. .

(e) Non-Solicitation of TJC's Employees, Consultants, Vendors. Seller and each Shareholder agrees that for twelve (12) months after the date of this Agreement, it, he or she will not directly or indirectly: (a) induce, canvas, solicit, or request or advise any employees, suppliers, vendors or consultants of TJC, or any The Joint Corp. franchise to accept employment with any person, firm, or business that competes with any business of TJC or any The Joint Corp. franchise; or (b) induce, request, or advise any employee of TJC, any consultant, vendor or supplier of TJC or any The Joint Corp. franchise to terminate such employee's relationship with TJC or any The Joint Corp. franchise; or (c) disclose to any other person, firm, partnership, corporation or other entity, the names, addresses or telephone numbers of any of the employees or customers of TJC or any The Joint Corp. franchise, except as required by law.

(f) Non-solicitation of TJC's Customers (Patients). Seller and each Shareholder agrees that for thirty six (36) months after the date of this Agreement, it, he or she will not directly or indirectly: (a) induce, canvas, solicit, or request or advise any customers of TJC or any The Joint Corp. franchise to become customers of any person, firm, or business that competes with any business of TJC (as such business is currently conducted) or any The Joint Corp. franchise; or (b) induce, request or advise any customer of TJC or any The Joint Corp. franchise to terminate or decrease such customer's relationship with TJC or any The Joint Corp. franchise; or (c) disclose to any other person, firm, partnership, corporation or other entity, the names, addresses or telephone numbers of any of the customers of TJC or any The Joint Corp. franchise, except as required by law.

(g) Confidential Information. Seller and each Shareholder agree at all times following the date of this Agreement, to hold the Confidential Information (including the terms and conditions of this Agreement) in the strictest confidence and not to use such Confidential Information for Seller's or any Shareholder's personal benefit, or the benefit of any other person or entity other than TJC, or disclose it directly or indirectly, in whole or in part, to any person or entity without TJC's express authorization or written consent. Seller and the Shareholders fully understand the need to protect the Confidential Information and all other confidential materials and agree to use all reasonable care to prevent unauthorized persons from obtaining access to Confidential Information at any time.

(h) Tolling. To ensure that TJC will receive the full benefit of this Section 11, the provisions of this Section 11 will not run, for purposes of the prohibitions on any competition and solicitation, statute of limitations, or for laches, at any time that a party to this Agreement is actually acting in any way in contravention to the provisions of this Section 11.

12. Termination

(a) This Agreement may be terminated by TJC, upon notice to Seller and the Shareholders, if prior to or at Closing:

(i) Seller or any Shareholder defaults in the performance of any of their material obligations under this Agreement and the default is not cured within five business days after TJC gives notice of the default to Seller and the Shareholders; or

(ii) any TJC Closing Condition is not satisfied as of December 31, 2014, as same may be waived by TJC, or satisfaction of any TJC Closing Condition is or becomes impossible (other than as a result of TJC's breach of or failure to perform its obligations under this Agreement), and TJC does not waive satisfaction of the condition; or

(iii) Closing does not occur on or before December 31, 2014 (other than as a result of TJC's breach of or failure to perform its obligations under this Agreement).

(b) This Agreement may be terminated by Seller or the Shareholders, upon notice to TJC, if prior to or at Closing:

(i) TJC defaults in the performance of any of its material obligations under this Agreement and the default is not cured within five Business Days after Seller or a Shareholder gives notice of the default to TJC; or

(ii) any Seller Closing Condition is not satisfied as of December 31, 2014, or satisfaction of any Seller Closing Condition is or becomes impossible (other than as a result of Seller's or Shareholders' breach of or failure to perform their obligations under this Agreement) and Seller does not waive satisfaction of the condition; or

(iii) Closing has not occurred by December 31, 2014 (other than as a result of Seller's or any Shareholders' breach of or failure to perform their obligations under this Agreement); or

(c) This Agreement may be terminated by the written agreement of the parties.

(d) The right of termination under this Section 12 is in addition to any other rights that a party may have under this Agreement or otherwise, and a party's exercise of its right of termination shall not be considered an election of remedies. Notwithstanding the termination of this Agreement pursuant to this Section 12, the parties' confidentiality obligations under Section 11(g) shall survive termination and continue indefinitely.

13. Indemnification of TJC

(a) Subject to Sections 15 and 16, Seller and the Shareholders agree to indemnify TJC against and hold TJC harmless from:

(i) any loss, liability, damage, cost or expense, including reasonable attorneys' fees and cost of investigation ("Loss") that TJC may suffer or incur that is caused by, arises out of or relates to any inaccuracy in or breach of any representation and warranty by Seller or a Shareholder in Section 6 of this Agreement; or

(ii) any Loss that TJC may suffer or incur that is caused by, arises out of or relates to Seller's or a Shareholder's breach of or failure to perform any of their obligations under Section 8 of this Agreement in any material respect or from the assertion against TJC of an Excluded Liability.

(b) The benefit of the indemnification obligations of Seller and the Shareholders under this Section 13 shall extend to the respective officers, directors, employees and agents of TJC and its affiliates.

14. Indemnification of Seller and the Shareholders

(a) Subject to Sections 15 and 16, TJC agrees to indemnify Seller and the Shareholders against and hold each of them harmless from:

(i) any Loss that Seller or a Shareholder may suffer or incur that is caused by, arises out of or relates to any inaccuracy in or breach of any representation and warranty by TJC in Section 7 of this Agreement; or

(ii) any Loss that Seller or a Shareholder may suffer or incur that is caused by, arises out of or relates to TJC's breach of or failure to perform any of its obligations under Section 8 of this Agreement in any material respect.

(b) The benefit of TJC's indemnification obligation under this Section 14 shall extend to the heirs and legal representatives of Seller and the Shareholders.

15. Threshold and Cap

(a) In respect of TJC's assertion of an indemnification claim under Section 13(a)(i), TJC shall not be entitled to indemnification until the aggregate amount for which indemnification is sought exceeds \$45,000. If this threshold is reached, TJC may assert an indemnification claim for the full amount of the claim (going back to the first dollar) and may assert any subsequent indemnification claim under Section 13(a)(i) without regard to any threshold. The maximum aggregate amount for which TJC may assert indemnification claims under Section 13(a)(i) shall be \$450,000. No threshold or cap shall apply, however, in the case of any Loss caused by, arising out of or relating to any fraud or intentional misrepresentation.

(b) In respect of Seller's and/or a Shareholder's assertion of an indemnification claim under Section 14(a)(i), Seller and/or the Shareholders shall not be entitled to indemnification until the aggregate amount for which indemnification is sought collectively exceeds \$45,000. If this threshold is reached, Seller and the Shareholders may assert an indemnification claim for the full amount of the claim (going back to the first dollar) and may assert any subsequent indemnification claim under Section 13(a)(i) without regard to any threshold. The maximum aggregate amount for which Seller and/or the Shareholders may assert indemnification claims under Section 14(a)(i) shall be \$450,000. No threshold shall apply, however, in the case of any Loss caused by, arising out of or relating to any fraud or intentional misrepresentation.

(c) No threshold shall apply to TJC's assertion of an indemnification claim under Section 13(a)(ii) or to Seller's or a Shareholder's assertion of an indemnification claim under Sections or 14(a)(ii).

15. Survival

(a) An indemnification claim under Sections 13(a)(i) and 14(a)(i) may be asserted at any time prior to the second anniversary of the Closing Date, with the exception that:

(i) an indemnification claim under Section 13(a)(i) in respect of any inaccuracy in or breach of any of the representations and warranties in Section 6(d) ("Taxes") may be asserted at any time prior to the expiration of the applicable statute of limitation; and

(ii) an indemnification claim under Section 13(a)(i) in respect of any inaccuracy in or breach of any of the representations and warranties in Sections 6(b) (“Authority”) and 6(e) (“Title to and Condition of Assets”), may be asserted at any time without limit, but only as to indemnification claims related to title to Assets, not condition of Assets.

(b) An indemnification claim under Section 13(a)(ii) and Section 14(a)(ii) may be asserted at any time without limit.

17. Notice of Indemnification Claim

(a) The indemnified party may assert an indemnification claim by giving written notice of the indemnification claim to the indemnifying party. The indemnified party’s notice shall provide reasonable detail of the facts giving rise to the indemnification claim and a statement of the indemnified party’s Loss or an estimate of the Loss that the indemnified party reasonably anticipates that it will suffer. The indemnified party may amend or supplement its indemnification claim at any time, and more than once, by written notice to the indemnifying party.

(b) If or to the extent that the indemnification claim is not in respect of a Third Party Suit, Section 17 shall apply. If or to the extent that the indemnification claim is in respect of a Third Party Suit, Section 18 shall apply.

18. Resolution of Claims

(a) If the indemnifying party does not object to an indemnification claim during the 30-day period following receipt of the indemnified party’s notice of its indemnification claim, the indemnified party’s indemnification claim shall be considered undisputed, and the indemnified party shall be entitled to recover the actual amount of its indemnifiable loss from the indemnifying party, subject to the threshold, if any, in Section 14(a) or (b).

(b) If the indemnifying party gives notice to the indemnified party within the 30-day objection period that the indemnifying party objects to the indemnified party’s indemnification claim, the indemnifying party and the indemnified party shall attempt in good faith to resolve their differences during the 30-day period following the indemnified party’s receipt of the indemnifying party’s notice of its objection. If they fail to resolve their disagreement during this 30-day period, either of them may unilaterally submit the disputed indemnification claim for non-binding arbitration before the American Arbitration Association in Phoenix, Arizona in accordance with its rules for commercial arbitration in effect at the time, which shall be a condition precedent to seeking resolution of the disputed indemnification claim before any court of competent jurisdiction. The award of the arbitrator or panel of arbitrators may include attorneys’ fees to the prevailing party.

19. Third Party Suits

(a) TJC shall promptly give notice to Seller and the Shareholders of any suit, demand, or claim by a third person against TJC, for which TJC is entitled to indemnification under Section 13(a) (a “Third Party Suit”), which may be given by notice of an indemnification claim in respect of the Third Party Suit. TJC’s failure or delay in giving this notice shall not relieve Seller or the Shareholders from their indemnification obligation under this Section 19(a) in respect of the Third Party Suit, except to the extent that Seller or a Shareholder suffer or incur a loss or are prejudiced by reason of TJC’s failure or delay.

(b) TJC shall control the defense of any Third Party Suit. Seller and the Shareholders shall be entitled to copies of all pleadings and, at their expense, may participate in, but not control, the defense and employ their own counsel. Seller and the Shareholders shall in any event reasonably cooperate in the defense of the Third Party Suit.

(c) TJC's settlement of a Third Party Suit shall also be binding on Seller and the Shareholders, in the same manner as if a final judgment in the amount of the settlement had been entered by a court of competent jurisdiction, if, as part of the settlement, Seller and the Shareholders receive a binding release providing that any liability of Seller or the Shareholders in respect of the Third Party Suit is being satisfied as part of the settlement. TJC shall give Seller and the Shareholders at least 30 days' prior notice of any proposed settlement, and during this 30-day period Seller or the Shareholders may reject the proposed settlement and instead assume the defense of the Third Party Suit if:

- (i) the Third Party Suit seeks only money damages and does not seek injunctive or other equitable relief against TJC;
- (ii) Seller and the Shareholders unconditionally acknowledge in writing to TJC that Seller and the Shareholders are obligated to indemnify TJC in full in respect of the Third Party Suit (except for any matters that are not subject to indemnification under this Agreement);
- (iii) the counsel chosen by Seller and the Shareholders to defend the Third Party Suit is reasonably satisfactory to TJC;
- (iv) Seller and the Shareholders furnish TJC with security reasonably satisfactory to TJC to assure that Seller and the Shareholders have the financial resources to defend the Third Party Suit and to satisfy their indemnification obligation in respect of the Third Party Suit;
- (v) Seller or the Shareholders actively and diligently defend the Third Party Suit; and
- (vi) Seller and the Shareholders consult with TJC regarding the Third Party Suit at TJC's reasonable request.

If Seller or the Shareholders assume the defense of the Third Party Suit, TJC shall be entitled to copies of all pleadings and, at its expense, may participate in, but not control, the defense and employ its own counsel.

(d) Seller and the Shareholders may settle a Third Party Suit in which, Seller or a Shareholder controls the defense only if the following conditions are satisfied:

- (i) the terms of settlement do not require any admission by Seller, the Shareholders or TJC, in respect of any matters subject to indemnification under Sections 13 or 14 of this Agreement, that in TJC's reasonable judgment would have an adverse effect on TJC; and
- (ii) as part of the settlement, TJC receives a binding release providing that any liability of TJC in respect of the Third Party Suit is being satisfied as part of the settlement.

(e) TJC's failure to defend a Third Party Suit shall not relieve Seller or the Shareholders of their indemnification obligation under Section 13 of this Agreement if TJC gives Seller or the Shareholders at least 30 days' prior notice of TJC's intention not to defend the Third Party Suit and affords Seller and the Shareholders the opportunity to assume the defense without having to satisfy the conditions in Section 18(c) for assuming the defense.

20. Remedies

If Closing occurs, each Party's sole and exclusive remedy for all claims and causes of action against the other Party, including those relating to any inaccuracy in or breach of any representation and warranty in this Agreement, shall be indemnification as provided in and limited by Sections 13 and 14 of this Agreement. The provisions of this Section 20 shall not apply, however, (i) in the case of fraud or intentional misrepresentation on the part of Seller, the Shareholders or TJC, or (ii) to the enforcement of any of the covenants and agreements of the parties intended to be performed following Closing, including but not limited to the covenants and agreements described in Section 11 of this Agreement.

21. Expenses

Each Party shall pay its own expenses in connection with the negotiation and preparation of this Agreement and the closing of the Transaction. In the event of termination of this Agreement prior to Closing pursuant to Section 12, each party's obligation to pay its own expenses shall be subject to any right of recovery as a result of a default under this Agreement by the other party.

22. Schedules

Nothing in any Schedule to Section 6 shall be considered adequate to constitute an exception to the related representation and warranty in Section 6 unless the Schedule describes the relevant facts in reasonable detail. Any exception in a Schedule to Section 6 shall be considered an exception to any other representation and warranty in Section 6 to which the exception relates if it is reasonably apparent on its face that the exception in question relates to such other representation and warranty.

23. Parties' Review

Any knowledge acquired by a party (or that should have been or could have been acquired) as a result of any due diligence or other review or investigation in connection with the negotiation and execution of this Agreement and the closing of the transaction shall not limit that party's right to rely on the other party's representations and warranties in this Agreement or circumscribe that party's entitlement to indemnification under this Agreement.

24. Publicity

Any public announcement or similar publicity regarding this Agreement or the transaction shall be issued only as, when and in the manner and form that TJC determines.

25. Notices

(a) All notices under this Agreement shall be in writing and sent by certified or registered mail, overnight messenger service, facsimile or personal delivery, as follows:

- (1) if to Seller or Meisinger, to or in care of:

Chad Meisinger
71 Via Sonrisa
San Clemente, CA 92673
Fax: 949-859-1046

with a copy to (which shall not constitute notice):

BakerHostetler
600 Anton Blvd., Suite 900
Costa Mesa, California 92626
Fax: 714-966-8802
Attention: Randolph W. Katz

- (2) If to Espinoza, to:

Raymond Espinoza
25492 Ponce Court
Laguna Hills, CA 92653
Fax: 949-859-1046

- (3) If to Morris, to:

Rob Morris
31371 Via Los Palomas
San Juan Capistrano, CA 92675
Fax: 949-859-1046

- (4) if to TJC, to:

The Joint Corp.
16767 N. Perimeter Dr. Suite 240
Scottsdale, AZ 85260
Fax: (480) 513-7989
Attention: Mr. David Orwasher
Chief Operating Officer

with a required copy to (which shall not constitute notice):

Johnson and Colmar
2201 Waukegan Road, Suite 260
Bannockburn, Illinois 60015
Fax: (312) 922-9283
Attention: Mr. Craig P. Colmar

(b) A notice sent by certified or registered mail shall be considered to have been given five business days after being deposited in the mail. A notice sent by overnight courier service, facsimile or personal delivery shall be considered to have been given when actually received by the intended recipient. A party may change its address for purposes of this Agreement by notice in accordance with this Section 25.

26. Further Assurances and Cooperation

The parties agree to (i) furnish to one another other such further information, (ii) execute and deliver to one another such further documents and (iii) do such other acts and things that any party reasonably requests for the purpose of carrying out the intent of this Agreement and the documents and instruments referred to in this Agreement. The parties acknowledge that TJC may be required to conduct audits, at TJC's sole expense, of the financial statements of the businesses operated using the Acquired Assets in connection with its reporting obligations under the Securities Exchange Act of 1934, and the Seller and the Shareholders agree to cooperate with TJC and to provide it with any information reasonably available to the Seller and the Shareholders to assist TJC and its representatives in conducting such audits. For 45 days following the Closing, Seller and each Shareholder shall provide to TJC such assistances as TJC reasonably requests to help ensure a smooth and orderly transition of ownership of the Subject Franchises.

27. Waiver

The failure or any delay by any party in exercising any right under this Agreement or any document referred to in this Agreement shall not operate as a waiver of that right, and no single or partial exercise of any right shall preclude any other or further exercise of that right or the exercise of any other right. All waivers shall be in writing and signed by the party to be charged with the waiver, and no waiver that may be given by a party shall be applicable except in the specific instance for which it is given.

28. Entire Agreement

This Agreement supersedes all prior agreements between the parties with respect to its subject matter and constitutes (together with (i) the Exhibits, (ii) the Schedules and (iii) the parties' Closing Documents) a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended except by a written agreement signed by the party to be charged with the amendment.

29. Assignment

No party may assign any of its rights under this Agreement without the prior written consent of the other party.

30. No Third Party Beneficiaries

Nothing in this Agreement shall be considered to give any person other than the parties any legal or equitable right, claim or remedy under or in respect of this Agreement or any provision of this Agreement. This Agreement and all of its provisions are for the sole and exclusive benefit of the parties and their respective successors, permitted assigns, heirs and legal representatives.

31. Construction

- (a) All references in this Agreement to "Section" or "Sections" refer to the corresponding section or sections of this Agreement.
- (b) All words used in this Agreement shall be construed to be of the appropriate gender or number as the context requires.
- (c) Unless otherwise expressly provided, the word "including" does not limit the preceding words or terms.

(d) The captions of articles and sections of this Agreement are for convenience only and shall not affect the construction or interpretation of this Agreement.

32. Severability

The invalidity or unenforceability of any term or provision, or part of any term or provision, of this Agreement shall not affect the validity and enforceability of the other terms and provisions of this Agreement, and this Agreement shall be construed in all respects as if the invalid or unenforceable term or provision, or part, had been omitted. In the event that any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable because it is too broad, such provision shall be interpreted to be only as broad as is enforceable.

33. Counterparts

This Agreement may be signed in any number of counterparts (including by facsimile or portable document format (pdf)), all of which together shall constitute one and the same instrument.

34. Governing Law

This Agreement shall be governed by the internal Laws of the State of Arizona, without giving effect to any choice of law provision or rule (whether of the State of Arizona or any other state) that would cause the laws of any state other than the State of Arizona to govern this Agreement.

35. Binding Effect

This Agreement shall apply to, be binding in all respects upon and inure to the benefit of parties and their respective heirs, legal representatives, successors and permitted assigns.

(signatures appear on the next page)

IN WITNESS WHEREOF, the Parties hereto affix their signatures and execute this Agreement as of the day and year first above written.

The Joint RRC Corp.

By: /s/ Chad Meisinger
Chad Meisinger, *President*

/s/ Raymond G. Espinoza
Raymond G. Espinoza, Individually

/s/ Chad Meisinger
Chad Meisinger, Individually

/s/ Rob Morris
Rob Morris, Individually

The Joint Corp.

By: /s/ David Orwasher
David Orwasher, *Chief Operating Officer*

Signature Page to Asset and Franchise Purchase Agreement

Termination Agreement

This Termination Agreement (this "Agreement") is entered into as of December 31, 2014 by The Joint Corp., a Delaware corporation ("TJC"), Kairos Marketing, LLC a California limited liability company ("Kairos") and Chad Meisinger, the sole member of Kairos ("Meisinger" and, together with TJC and Kairos, the "Parties").

Background:

- A. The Parties are parties to a Regional Developer Agreement dated September 26, 2011 (the "LA RDA") relating to Franchises in Los Angeles County, California.
- B. The Parties want to terminate the LA RDA on the terms and subject to the conditions of this Agreement.

Now, therefore, in consideration of their mutual promises and intending to be legally bound, the Parties agree as follows:

1. **Definitions**

Capitalized terms used in this Agreement (including the preceding "Background" section) without being defined have the same meanings that they have in the LA RDA.

2. **Termination**

The Parties agree that, with the exception of the survival of certain terms of the LA RDA as provided in Paragraph 4 of this Agreement (the "Surviving Terms"), the LA RDA is hereby terminated, effective as of the date of this Agreement; and with the exception of the Parties' respective rights, duties and obligations under the Surviving Terms, all of the Parties respective rights, duties and obligations under the LA RDA are thereby terminated.

3. **Payment**

Concurrently with the execution of this Agreement, TJC has paid Kairos \$ 507,500.00 in immediately available funds by a wire transfer to the bank account designated by Kairos.

4. **Surviving Terms**

(a) Notwithstanding the termination of the LA RDA, the following provisions of the LA RDA shall survive and continue in effect in accordance with their terms:

- (1) Subsection (c) (uncaptioned) of Section 5.2 ("Regional Developer Manual");

- (2) Section 10 (“Confidential Information”);
- (3) Section 12.2 (“Post-Term”) of Section 12 (“Non-Competition”);
- (4) Section 13.2 (“Rights and Obligations Upon Termination or Expiration”);
- (5) for purposes of resolving any disputes under this Agreement, Section 14 (“Mediation and Arbitration”);
- (6) Section 15.2 (“Indemnification”);
- (7) Section 15.4 (“Survival of Covenants”);
- (8) for purposes of resolving any disputes under this Agreement, Section 15.8 (“Consent to Jurisdiction”);
- (9) Section 15.10 (“Limitation of Claims”);
- (10) Section 15.14 (“Severability”) and
- (11) for purposes of resolving any disputes under this Agreement, Section 15.15 (“Fees and Expenses”).

5. Representations and Warranties

Kairos and Meisinger hereby jointly and severally represent and warrant to TJC as follows:

(a) **Organization.** Kairos is a limited liability company duly organized and validly subsisting under the laws of the State of California, and Seller has full power and authority to conduct its business as it is now being conducted, and to execute, deliver and perform this Agreement.

(b) **Authority.** Neither Kairos nor Meisinger is a party to, subject to, or bound by any agreement, judgment, order, writ, injunction, or decree of any court or governmental body that prevents or impairs the carrying out of this Agreement. The execution, delivery and performance of this Agreement and all other documents, instruments and agreements contemplated hereby have been duly authorized by all required limited liability company action of Kairos. All other actions (including all action required by state law and by the organizational documents of Kairos) necessary to authorize the execution, delivery and performance by Kairos of this Agreement, and the other documents, instruments and agreements necessary or appropriate to carry out the transactions herein contemplated, have been taken by Kairos. Upon the execution of this Agreement and the other documents and instruments contemplated hereby by Kairos and Meisinger, this Agreement and such other documents and instruments will be the valid and legally binding obligations of Kairos and Meisinger, enforceable against each of them in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(l) No Consent or Approval Required. No authorization, consent, approval or other order of, declaration to or filing with any governmental body or authority is required for the consummation by Kairos and Meisinger of the transactions contemplated by this Agreement.

TJC hereby represents and warrants to each of Kairos and Meisinger as follows:

(a) Organization. TJC is a corporation duly organized and validly subsisting under the laws of the state of Delaware, and TJC has full power and authority to conduct its business as it is now being conducted, and to execute, deliver and perform this Agreement.

(b) Authority. TJC is not a party to, subject to or bound by any agreement, judgment, order, writ, injunction, or decree of any court or governmental body that prevents or impairs the carrying out of this Agreement. The execution, delivery and performance of this Agreement and all other documents, instruments and agreements contemplated hereby have been duly authorized by TJC's Board of Directors. All other actions (including all action required by state law and by the organizational documents of TJC) necessary to authorize the execution, delivery and performance by TJC of this Agreement, the bill of sale transferring the Assets, the assignments in connection herewith and the other documents, instruments and agreements necessary or appropriate to carry out the transactions herein contemplated, have been taken by TJC. Upon the execution of this Agreement and the other documents and instruments contemplated hereby by TJC, this Agreement and such other documents and instruments will be the valid and legally binding obligations of TJC, enforceable against it in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity, including principles of commercial reasonableness, good faith and fair dealing (regardless of whether enforcement is sought in a proceeding at law or in equity).

(m) No Consent or Approval Required. No authorization, consent, approval or other order of, declaration to or filing with any governmental body or authority is required for the consummation by TJC of the transactions contemplated by this Agreement.

6. **Releases**

(a) Kairos and Meisinger, each for itself and himself and its and his heirs, legal representatives and assigns, hereby unconditionally and irrevocably releases and waives all claims, demands, causes of action and damages of any kind whatever, whether known or unknown (collectively, "Claims") that Kairos or Meisinger now has or in the future may have against TJC and its successors and assigns by reason of any event, occurrence or omission arising under or relating to the LA RDA, with the exception of Claims arising under this Agreement, or under the surviving provisions of the LA RDA to the extent that such Claims arise on or after the date of this Agreement.

(b) TJC, for itself and its successors and assigns, hereby unconditionally and irrevocably releases and waives all Claims that TJC now has or in the future may have against Kairos or Meisinger and its or his heirs, legal representatives and assigns by reason of any event, occurrence or omission arising under or relating to the LA RDA, with the exception of Claims arising under this Agreement, or the under surviving provisions of the LA RDA to the extent that such Claims arise on or after the date of this Agreement.

7. **Waiver of Civil Code Section 1542**

It is the intention of each of the Parties that this Agreement shall be effective as a full and final accord, satisfaction and release of all of the claims and other matters as described in Paragraph 6, above (individually and collectively, the “Released Claim(s)”). In furtherance of this intention, each Party acknowledges and agrees that the release of Released Claims provided for in this Agreement shall extend to any and all Released Claims, whether known or unknown, suspected or unsuspected, disclosed or undisclosed, legal or equitable, and expressly waives and relinquishes any right any Party may have under California Civil Code, Section 1542, which provides that:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

Each Party expressly waives and releases any and all rights and benefits that such Party has or may have under California Civil Code, Section 1542, and any other similar law or rule in any other jurisdiction pertaining to the matters released in this Agreement. Each Party understands, acknowledges and agrees that he or it may later discover facts in addition to, or different from, those which he or it now knows or believes to be true as to the Released Claims or the subject matter of this Agreement, but it is the intention of each of the Parties, through and in accordance with this Agreement and with the advice of counsel of his or its own choosing, fully, finally and forever to settle and release any and all Released Claims. In furtherance of this intention, the releases of the Released Claims provided for under this Agreement shall be, and are to remain in effect as, full and complete releases of any and all Released Claims notwithstanding the discovery of any additional claims or facts relating to such releases.

8. **Indemnification**

(a) Kairos and Meisinger, for itself and himself and its and his heirs, legal representatives and assigns, hereby agree to indemnify TJC and its successors and assigns against, and hold TJC and each of the others harmless from, any Claim by a third party which may at any time be asserted against TJC by reason of any action or omission by Kairos or Meisinger under or relating to the LA RDA.

(b) TJC, for itself and its successors and assigns, hereby agrees to indemnify Kairos and Meisinger and its heirs, legal representatives, successors and assigns against, and hold Kairos and Meisinger and each of the others harmless from, any Claim by a third party which may at any time be asserted against Kairos or Meisinger by reason of any action or omission by TJC under or relating to the LA RDA.

9. **Confidentiality**

Kairos and Meisinger each acknowledges that both the existence of this Agreement and the provisions that it contains are confidential and agrees that, except as required by law, it or he will not directly or indirectly, by any means, disclose to any third party either the existence of this Agreement or the provisions that it contains without the prior written approval of TJC. Kairos and Meisinger each agrees that if it or he violates this confidentiality obligation, then in addition to any other remedies that may be available to TJC, TJC shall be entitled to seek a temporary restraining order, and a preliminary and permanent injunction to prevent Kairos's or Meisinger's continued violation, without the necessity of proving actual damages or posting any bond or other security.

10. **Counterparts**

This Agreement may be signed in any number of counterparts (including by facsimile or portable document format (pdf)), all of which together shall constitute one and the same instrument.

11. **Governing Law**

This Agreement shall be governed by the laws of the State of Arizona without regard to conflicts-of-law principles or rules that would require this Agreement to be governed by the laws of a different state.

12. **Binding Effect**

This Agreement shall apply to, be binding in all respects upon and inure to the benefit of Parties and their respective heirs, legal representatives, successors and assigns.

[signature page follows]

In witness, the Parties have executed this Agreement.

The Joint Corp.

By /s/ David Orwasher
David Orwasher
President and Chief Operating Officer

Kairos Marketing, LLC

/s/ Chad Meisinger
Chad Meisinger, President

/s/ Chad Meisinger
Chad Meisinger, Individually



Reacquisition of Los Angeles County Franchises and Regional Developer Rights Positions The Joint Corp. for Company-Owned Unit Expansion in Los Angeles

SCOTTSDALE, Ariz., January 7, 2015 – The Joint Corp. (NASDAQ: JYNT or the “company”), a national healthcare franchisor of chiropractic clinics, today reported that, in accordance with its strategy to operate and develop company owned units and to reacquire select regional developer rights, it has repurchased six franchises in Los Angeles County, California and reacquired and terminated the regional developer rights for that region. This transaction will position the company to immediately begin operating company-owned clinics, to eliminate royalty-sharing payment obligations, and to terminate the obligation to pay regional developer selling fees for future clinics to be opened in Los Angeles County, the second largest Metropolitan Statistical Area (“MSA”) in the United States.

The transaction involves the repurchase, from an entity affiliated with the Los Angeles regional developer, of four operating franchises and two undeveloped franchises. The company intends to operate the four operating franchises as company-owned clinics and to relocate the two undeveloped franchises. In addition, the transaction involves the repurchase of development rights for Joint franchises in the important Los Angeles region. The company does not intend to resell these rights, but rather to terminate this regional developer license as a prelude to developing company-owned clinics in this region.

The total consideration for the transaction was \$1,407,500, which will be funded from the proceeds of The Joint Corp.’s recent initial public offering (IPO).

“This is an important step in our long term strategy to accelerate the growth and profitability of The Joint Corp. through the acquisition of existing franchises and regional developer territories,” commented John Richards, chief executive officer of The Joint Corp. “This transaction allows us accelerate our plan to focus on opening clinics that are directly owned and operated by us.”

“We are pleased to quickly kick off our post IPO strategy in the second largest MSA in the country where growth potential is significant,” noted David Orwasher, chief operating officer of The Joint Corp. “Los Angeles County presents a very attractive market for further expansion.”

About The Joint Corp.

The Joint...the chiropractic place® is reinventing chiropractic care by making quality alternative healthcare affordable for patients seeking pain relief and ongoing wellness. Our affordable plans and packages eliminate the need for insurance, and our no-appointment policy, convenient hours and locations make care more accessible. The Joint performs more than one million spinal adjustments a year across 240+ clinics nationwide. For more information, visit www.thejoint.com, follow us on [Twitter@thejointchiro](https://twitter.com/thejointchiro) and find us on Facebook, YouTube and LinkedIn.

Forward-Looking Statements

This press release contains statements about future events and expectations that constitute forward-looking statements. Forward-looking statements are based on our beliefs, assumptions and expectations of industry trends, our future financial and operating performance and our growth plans, taking into account the information currently available to us. These statements are not statements of historical fact. Forward-looking statements involve risks and uncertainties that may cause our actual results to differ materially from the expectations of future results we express or imply in any forward-looking statements and you should not place undue reliance on such statements. Factors that could contribute to these differences include, but are not limited to, our failure to develop or acquire corporate clinics as rapidly as we intend, our failure to profitably operate corporate clinics, and the factors described in "Risk Factors" in The Joint Corp.'s Registration Statement on Form S-1. Words such as "anticipates", "believes", "continues", "estimates", "expects", "goal", "objectives", "intends", "may", "opportunity", "plans", "potential", "near-term", "long-term", "projections", "assumptions", "projects", "guidance", "forecasts", "outlook", "target", "trends", "should", "could", "would", "will" and similar expressions are intended to identify such forward-looking statements. We qualify any forward-looking statements entirely by these cautionary factors. We assume no obligation to update or revise any forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

Investor Contact:

Peter Vozzo

peter.vozzo@westwicke.com

443-213-0505

Media Contact:

Marcia Rhodes

mrhodes@acmarketingpr.com

480-664-8412, ext. 15